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COMMITTEE ON GOVERNMENT, MILITARY AND VETERANS AFFAIRS
January 19, 2005
LB 54, 96, 103, 227

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Wednesday, January 19, 2005, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB 54, LB 96, LB 103, and LB 227. Senators present: DiAnna Schimek, Chairperson; Pam Brown, Vice Chairperson; Carroll Burling; Mick Mines; Rich Pahls; and Roger Wehrbein. Senators absent: Deb Fischer and Chris Langemeier.

SENATOR SCHIMEK: The Government, Military and Veterans Affairs Committee, we are pleased to have you with us today. For the record, my name is DiAnna Schimek; I chair the committee. And I'd like to introduce the committee members who are here. And I should say that we have two senators who will have to be absent today, and we also have one senator, I know at least one who has a bill to introduce at some point today so he will be leaving at one point anyway. I'll start on my right with Senator Rich Pahls, who's from Omaha, and a new member of the committee and a new member of the Legislature; next to him is Senator Carroll Burling of Kenesaw, who has just been reelected to the Legislature and is a returning member of the committee; next to him is Senator Pam Brown, of Omaha, also a returning member of the committee who also is Vice Chair of the committee this year; and next to her is Christy Abraham, who is the legal counsel for the committee; on my left is Sherry Shaffer, who is the committee clerk; on her left is Senator Roger Wehrbein of Plattsmouth, who also is a new member of the committee; and finally we have Senator Mick Mines of Blair, who is a new member of the committee, although not a new member of the Legislature. So with that, I would like to remind you that the order in which you saw the bills listed on the door, that is the order that we are going to hear the bills. And they will be LB 54, LB 96, LB 103 and LB 227. There is a sign-in sheet that you can pick up at the entrance over there, and when you come forward to testify you can just leave it in the box up here on the table; that will save time on signing in. And also if you're here and don't wish to testify, but you may wish to indicate your support or opposition to a particular bill, there is also a sheet over at the door on the table that you can sign. One of the things that we would like to have you do when you come to testify is to state your name clearly for the record and

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spell it for us. That helps our transcribers, and we would also like for you to keep your remarks succinct and to the point, and probably we'll allow up to five minutes, but if you can say it in fewer minutes that would be fine. We would like...if you have a prepared statement and you don't happen to have copies of it, we can make copies for the committee or if you brought copies, the page will see that the members get them. And finally, I think I would like to introduce our page who is with us today, Victoria Centorino from Ft. Lauderdale, Florida; goes to school at UNL. So you see we have brain gain in this case, with Victoria. Also I would like to mention no cell phones should be turned on from here on out. We would like to have them silenced at this point. So with that, I'm going to turn the gavel over to Senator Brown and I will introduce LB 54.

LB 54

SENATOR SCHIMEK: This chair sits kind of high; we need to adjust this. Madam Chair and members of the Government, Military and Veterans Affairs Committee, for the record I am here to introduce LB 54, which is a bill regarding veterans' benefits. And as you know, that this summer and fall, the Government Committee did do a study, LR 399, to look at this whole issue of veterans' benefits. That really came about as a response to an Attorney General's Opinion that was issued late last session while we were still in session. And the Attorney General was asked to clarify the phrase, "honorably discharged or its equivalent," for the purpose of determining eligibility for veterans' aid benefits. And the Attorney General opined at that time that there is no equivalent to an "honorable discharge" and therefore veterans with a "general discharge under honorable conditions" are not eligible for certain benefits. And I might add to that that this was an opinion that radically changed 60 years of history, in a sense that for 60 years the interpretation had been different. Although the Attorney General's Opinion dealt specifically with the eligibility of the Nebraska Veterans' Aid Fund, many sections of statute dealing with veterans' benefits used the same language which was called into question by the opinion, such as: homestead exemptions, eligibility for admission to the state's veterans' homes, and so forth. So the

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Government Committee holds two hearings this past fall: one in Norfolk, and we had a huge turnout there, many veterans' service officers came; and then we had one in Omaha, also this fall. After the hearings, the committee determined that the best policy decision was to restore the long-standing policy of allowing veterans with "general discharges under honorable conditions," as opposed to "under dishonorable conditions," to be eligible for certain state veterans' benefits. And when we started drafting the legislation, we realized that there were many sections of statutes which use language referencing military discharges. LB 54 attempts to provide uniformity of language in the statute while maintaining the current practice that is used. For example, in Section 12-104, LB 54 removes the word "honorably," to clarify that the current practice is to allow any soldier to be buried at Wyuka Cemetery. That's the current practice so we did change the statute to reflect that practice. Finally, the bill contains an emergency clause and provides that certain sections will become operative on July 1, 2004. And during the interim, the Governor had asked agencies to keep track of all of those veterans with "general discharges under honorable conditions," to place them in a pending file until the Legislature acted. For this reason, the bill provides that these benefits would be restored, the ones that date back to July 1, 2004. And that's the date on which the Attorney General's Opinion actually took effect. So with that, I would just like to call your attention to the chart that you did receive, and I think is in your book, that shows you some of the sections of law that were addressed by the bill. And the first group are benefits for "veterans with honorable or general discharge under honorable conditions." And these statutes include a veteran's preference with the civil service, hunting or fishing permit, veteran's preference for state employment, disabled veterans' plates, mobile home exemption for disabled or blind veterans, homestead exemption, county veterans' aid, soldier's burial by county service committee, headstone for veteran graves, metal marker for veteran graves, eligibility for state veterans' homes, Nebraska Veterans' Aid Fund, and county veterans' service officers or members of county veterans' service committees and other personnel. All of those would be available to those discharged in either category. Then below that are the descriptions of the benefits available to

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veterans with just the "honorable discharge." And those are Pearl Harbor Survivor license plates, Prisoner of War license plates, motor vehicle tax exemption, administrator of Nebraska Veterans' Homes. The director of Department of Veterans' Affairs has to be one with the "honorable discharge." Member of Veterans' Advisory Committee at the state level, and the director of Veterans' Affairs, members of Veterans' Advisory Commission, and all state service offices. Those are the statutes that would apply only to those with "honorable." And then it does mention some of these other changes like I just mentioned, Wyuka. There's also veteran burial in Nebraska Veterans' Cemetery, where we removed the word "honorably," and replaced with a definition of "eligibility used by the federal government," so that it's consistent. Veterans' discharge record, removed language referring to periods of war to reflect all veterans' records are being recorded, and so forth. While I think what we've tried to do in this bill is to clarify what some of these words mean, and we've tried to make it consistent with what the present practice is in most cases. And remember that many of these statutes were probably written in different periods of time and so they may not have always been as careful with the definition as maybe they could or should be. There is not unanimous agreement on this approach. I think you will perhaps hear from a veteran or some veterans who believe that the Attorney General's Opinion was right and that's the way it should be. But upon further examination, I think the main concern is that those with "honorable discharge," not be lumped in with those who have a "general discharge under honorable conditions." It's not as much the concern about the benefits, I think, as it is about the categorization. So I think this is the best solution. And I think there will be many others who will testify who will agree with that. With that, Madam Chair, I'd be happy to answer any questions.

SENATOR BROWN: Are there questions for Senator Schimek?
Thank you.

SENATOR SCHIMEK: Thank you.

SENATOR BROWN: Welcome.

JOHN HILGERT: Good afternoon, Senator Schimek, Madam Chair,

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members of the Government, Military and Veterans Affairs Committee. My name is John Hilgert, spelled J-o-h-n H-i-l-g-e-r-t. I am director of the Nebraska Department of Veterans' Affairs. First of all, I want to thank Senator Schimek, the committee, and the committee staff, especially Christy Abraham, for the commitment and thoroughness exhibited in interim study LR 399. The Nebraska Department of Veterans' Affairs is in support of LB 54. We recognize and support the fact that LB 54 declares an emergency and therefore will become law once signed by our Governor. LB 54 is 49 pages, affects over 30 sections of law, and impacts several state agencies. I am empowered to speak on behalf of this administration to inform the committee that all are in favor of LB 54. Furthermore, Lieutenant Governor David Heineman, a US Army veteran himself, is supportive of LB 54 and has indicated his intent to sign the law should he be in the anticipated position to do so, as soon as the Legislature delivers LB 54 to his desk. LB 54 clarifies Nebraska statute to specifically include eligibility for those veterans who were discharged from service in the Armed Forces with the characterization of "general discharge" or "under honorable conditions," for certain state benefits. LB 54 additionally clarifies other aspects of Nebraska law enabling our department, as well as other state agencies, to operate with certainty and confidence in following the intent of Nebraska's policymakers. Dan Parker, the deputy director of the Nebraska Department of Veterans' Affairs, is present today as well. Both Mr. Parker and I are available to answer any questions that the committee might have, be that today or in the future, as we all hope for a speedy passage of LB 54 and a deliberate resolution to this issue. LB 54 is a comprehensive and thorough piece of legislation. We thank Senator Schimek for its introduction and would respectfully encourage the committee to advance the bill as soon as possible. Thank you.

SENATOR BROWN: Are there any questions? Senator Wehrbein.

SENATOR WEHRBEIN: Do you have any idea what other states do, John? Is this...

JOHN HILGERT: Senator Wehrbein, we have not had a thorough state-by-state and territory assessment of exactly what other states do. Most other states, I think it is safe to

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say, recognize "general discharges or under honorable conditions," although at least one state doesn't have a definition of a veteran and some states have definitions or eligibility requirements that is "anything but dishonorable," which somewhat mirrors a federal VA standards for most benefits.

SENATOR WEHRBEIN: Okay. Thank you.

JOHN HILGERT: Yes, sir.

SENATOR BROWN: Senator Mines.

SENATOR MINES: Thank you, Chairman. John, thanks for your testimony. I noticed there's no fiscal note and one would perceive that by broadening the definition there might be a fiscal impact. What am I missing?

JOHN HILGERT: Well, Senator, you're right to observe that the clarification of this law does include "general discharge under honorable conditions," but as Senator Schimek testified, this basically puts in statute what our current practices are. So therefore, there should be no fiscal note associated with this.

SENATOR MINES: Okay. So you're codifying what we're doing already.

JOHN HILGERT: That's correct, sir.

SENATOR MINES: Okay. Thanks.

SENATOR BROWN: Any further questions? Thank you.

JOHN HILGERT: Thank you.

GARY BREWER: All right, I'll try and keep it to two minutes. Gary Brewer, Gary, G-a-r-y, Brewer, B-r-e-w-e-r. I'm here representing myself, honorably discharged United States Navy veteran, served in Vietnam. I'm here to support this bill in any way I can. I will come anywhere, anytime, to support this. This is a matter of fairness. During the Vietnam era, veterans were discharged for a myriad of very small reasons. Some drug, alcohol that were exacerbated by

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combat in Vietnam and the VA was ill-prepared to help us at that time. I'm not saying the VA doesn't do a good job, because they do. I was just there for a medical reason for four days, and they take good care of us boys. So if I can answer any questions, I'd be more than happy to.

SENATOR BROWN: Any questions? Thank you.

GARY BREWER: Thank you very much.

SENATOR BROWN: Any further proponents of the bill?

JOHN LIEBSACK: Good afternoon. My name is John Liebsack, L-i-e-b-s-a-c-k, John is spelled with an H. I'm here this afternoon to...speaking to you as a member of the Nebraska Veterans Council. At our July 24, 2004, meeting, the council voted to support legislation adding UHCs to the character of service discharge eligible for state benefits. There are eight members of the Veterans Council, and I can list those for you if you like. They are the American Legion, the AMVETS, the Veterans of Foreign Wars, the Disabled American Veterans, Vietnam Veterans of America, Paralyzed Veterans of America, American Ex-Prisoners of War, and the Military Order of the Purple Heart. That concludes my testimony. Any questions?

SENATOR BROWN: Any questions? Thank you.

JOHN LIEBSACK: Thank you.

SENATOR BROWN: (Exhibits 1 and 2) Further proponents? And while we're doing this, I will read into the record some letters that we have in support of LB 54 from the Nebraska Game and Parks Commission and from the Hall, Howard, Sherman, Nance County Veterans' Service Office. Any further proponents?

BILL WILLIAMS: Good afternoon, Senators. I thank you for the opportunity to speak. My name is Bill Williams, William Williams, W-i-l-l-i-a-m W-i-l-l-i-a-m-s. I'm the Buffalo County Veterans' Service Officer from Kearney. And I am testifying in favor of restoring these benefits. I know that all of you have received correspondence from me, most of it via e-mail, about this issue. Rather than trying to

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explore all that information because it's considerable, I wanted to be here and to, if you have questions, address those. I have in fact researched much of this at length, and am willing to share with you whatever information was unclear to you in the information that I sent you via the e-mail or by way of the mail. I believe that this was unnecessary. I believe it was unnecessary to take these benefits away. I believe that these benefits should be restored as quickly as possible by any means possible. I also believe that there was not sufficient information provided for an adequate opinion at the time that that occurred. I believe that it is factually incorrect. I believe the information that I have provided to you and that which is on the Internet will support that. I invite you to look at that information. That information is all on a Web site www.vetsresource.com, and there's a link there to information that talks about "Veterans Challenge Attorney General Bruning's Opinion." And if you were to click on that, you would have access to all these documents and all of the testimony--my testimony from October 8 in Norfolk; it was written testimony submitted. So at this point I would like to invite your questions if you have any, to help clarify anything that is uncertain either about the history of how this happened, about the support that exists for it from almost all sectors. And with that, I'll end my testimony.

SENATOR BROWN: Are there any questions? Thank you.

BILL WILLIAMS: Thank you.

SENATOR BROWN: Any further proponents of the bill? Any opponents?

JOHN HURST: I have a little bit of a maneuverability problem. I have a brace on my leg due to an injury, so bear with me for a moment. My name is John, J-o-h-n, Hurst, H-u-r-s-t. I'm here in several capacities, both as an individual combat veteran from Vietnam, as a Chef de Gare for Cass County's American Legion Honor Society of Voyager 1218, as the past commander of American Legion Post 56, as commander...a past vice commander of VFW Post 2543, and as the Cass County Veterans' Service Officer. First, I'd like to thank the Government and Veterans Affairs

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Committee for allowing me this time, I will try to be brief. I'm an opponent, and represent a fair number of veterans that I've interviewed, that also asked me to express their opposition to LB 54. Most of the veterans that I had the opportunity to interview, those that come into my office in the county courthouse, once they understood what the situation was so far as the legislation that existed that created the term "honorable" and its equivalent, these gentlemen and a couple of ladies had always been under the impression that that was strictly one form or another of acceptable, honorable discharge. They never realized that for the past 60 years that there had been misinterpretations that allowed certain agencies, including the Department of Veterans' Affairs, to offer state benefits to discharged veterans with "general under honorable condition of character of service." Once they understood that this mistake had existed, and that the Attorney General had indeed reviewed the entire situation and made a decision and a clarification that a "general discharge" is not the equivalent, each of those with a couple of exceptions, said, my goodness, we don't want to change the law. We thought the law was being interpreted as intended in 1947 by the legislation on behalf of the people of Nebraska to see that this unique set of benefits, now I'm referring at this moment to the veterans' aid program we have here, not to some of the other departments, Game and Parks and so forth. There was comments made about other states and questions asked of the Honorable John Hilgert, our state director of Veterans' Affairs, about the procedure in other states. Well, I don't know about all the states, but I do know that no state that borders Nebraska has a similar program. That this is rather unique here in the west. And while there are some states that have interpretations of what an honorable discharge veteran can receive and other classification, it doesn't really pertain to us. We are rather unique, especially as I said, there's no state that touches Nebraska that even offers such a fund, rather you have an honorable discharge, if you have the medal of honor. You don't get the financial assistance in Iowa. I'm right on the river and I happened to sneak over from Glenwood, attempting to utilize our benefit. Of course, not being residents, I had to decline that. But my point, personally as a combat veteran, I spent more than 20 years in the Air Force, held several decorations including eight air medals for combat

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and noncombat reconnaissance flying, to the man who himself instituted several cases of individuals being given general discharges. I find that, and most of the people that I've shared my length of experience that have been involved in administrating military people, that those with very few exceptions that were discharged with a general discharge, earned no higher discharge than a general discharge. There are exceptions to that, and there has always been procedures to attempt to upgrade an honorable discharge to...excuse me, a general discharge to honorable. You have a period of, I believe, of 15 years from the time you're discharged to challenge that general discharge. In many cases, the people that got general discharges had had periods of service that were honorable. But at some point, went off track, whether it had been administratively or other performance or behavior standards that were not met, did not in the eyes of the Armed Forces, all branches, deserve the same level of discharge as those who completed their obligation both on length of service and in character of service, that warranted our highest discharge. And those that I interviewed, I found that in my records in Cass County, that I have less than 3 percent of those that have ever applied for benefits that had a general discharge. In my opinion, there's a very small number of people that will be affected by this if this legislation is not passed. But in my opinion, it's a slap in the face of those that served honorably, sometimes under harsh conditions away from their families; they are doing it right now, our Guard and Reserve are suffering to serve our country. The people I talked to that understood the facts, do not support giving people with general discharge our state benefits. Yes, there are federal benefits that allow, and not all of them, there's a misconception there, that a person with a general discharge gets all the same benefits from the federal government as a person with an honorable. That's not true. There are certain benefits that are either limited or excluded from those that do not have a full honorable discharge. And if you've been led to believe otherwise, there was a mistake in someone's information. A couple of points that I'm concerned about. The legislation that's proposed now indicates that honorable discharge, full honorable discharge, is required of the state director of Veterans' Affairs and the members of the state service division, the state service officers. I'm concerned that a general

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discharge is permitted for a county veterans' service officer. If this legislation is passed, I implore you to strike that and insist that a county service officer have at least the highest level of discharge if he's going to speak for the state of Nebraska and for its citizens; that it not be a general discharge for county service officers. Okay. I believe that I will also indicate that sitting here in the audience is County Commissioner Robert Clancy, who's one of three of my five...excuse me, four now of my five county commissioners that are veterans. Three of them that I got to interview, opposed this bill. And I believe I speak for those veterans in Cass County, overall, that have allowed me the opportunity to explain the misconceptions about honorable, in general, as interpreted in the past, are not in favor of lowering our state's standards. This is a state program. We're not in competition with anyone else. As I said, there are very few states that even have such a program. There is no reason to change the current statute, and the Attorney General's interpretation, in my opinion and many others, that are not interested in being politically correct, feel should remain as it's written in 1947 by those who served during World War II. Thank you for your time. Any questions?

SENATOR BROWN: Any questions? Senator Wehrbein.

SENATOR WEHRBEIN: This list, have you seen the list that Senator Schimek went over on the eligibility for general versus honorable discharge?

JOHN HURST: Yes, sir. I have, Senator.

SENATOR WEHRBEIN: Do you have strong feelings on others in that besides the county veterans' service officer, say veterans' plates or hunting and fishing permits or...

JOHN HURST: No. Again, my primary concern is that Veterans' Aid Fund. But in my opinion if we're going to require an honorable discharge for one state benefit, it should apply across the board.

SENATOR WEHRBEIN: Okay.

JOHN HURST: Yes, there are a couple of people here and

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there that will not receive that benefit, but I will tell you I don't care how great your discharge is, you can't get any of these in Iowa. So any other questions?

SENATOR BROWN: Senator Mines.

SENATOR MINES: It's been 34 years since I was in the service. "General discharge under honorable conditions" would be what? Can you give me an example of a general...as a county officer, can you tell me?

JOHN HURST: Well let's say that an individual in performing duties in his organization, it doesn't matter what branch of service, does not meet performance standard, as one example. They do the job no better than required or forced, and they have a weak attitude, and other shortcomings. Shortcomings are severe enough that the individual supervisors, and usually the unit commander, of course, get involved and determine that this individual is more of a detriment to his organization than a benefit to our nation and recommends that he be discharged since his offenses are not dishonorable, say in combat or what have you, then a general discharge is offered. An individual has an opportunity...

SENATOR MINES: So general discharges are typically issued to get rid of someone in the service?

JOHN HURST: Yeah, that's a very good expression.

SENATOR MINES: It's not issued at time of normal discharge.

JOHN HURST: Not normally. Normally it is far less than...I'll give you one example since I deal with it regularly. In May, last year, I had a Navy veteran come in my office with his discharge document, his DD214, his separation record. And as I scanned that document to look for key information as to what benefits I might assist him in acquiring, I noted he had a general discharge. And I looked down and there's a narrative in the more recent publication of that form that indicates what the reasoning was for that discharge. It indicated admission of homosexuality. Now the Armed Forces under President Clinton had a no-ask, no-tell policy. The military didn't ask you if you were gay and as long as you didn't tell them, then

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you served your military honorable service. This individual chose to make his commander aware that he was a homosexual and was given a general discharge after just over two years of service. So I look up in my ignorance and I say to this gentleman, oh, I see you were gay. Holy cow, he jumps up and, I'm not gay. I said, "I'm sorry, sir, your discharge says that you were discharged for homosex..." Oh, I told the commander that so I could get out early. My girlfriend was getting out and I wanted to follow her.

SENATOR MINES: Could a "general discharge under honorable conditions" be rendered for any medical purposes?

JOHN HURST: Well, I didn't see cases...

SENATOR MINES: Mental and/or physical?

JOHN HURST: I didn't see cases personally, so I would have to indicate that I've heard of such things.

SENATOR MINES: Okay.

JOHN HURST: That the person's health, whatever the case, hindered them from being able to meet the standards necessary, and again, depending on their length of service, their attitude and their commander's attitude toward that person, the "general" could be offered.

SENATOR MINES: Okay. Thank you.

SENATOR BROWN: Any further questions? Thank you. Any further testifiers in opposition to LB 54? Any neutral? Then the hearing is... Senator Schimek.

SENATOR SCHIMEK: Yes, thank you, Madam Chair and members of the committee. I just have a few last thoughts. Again, I recognize that there are some who have a difference of opinion on this. But I have to tell you that from the letters in our files, which I didn't bring with me but would be happy to share with the committee, overwhelmingly I think there has been support and from other county boards who have written resolutions and sent them in in favor of taking care of this problem. Again, what this bill tries to do is it tries to show that an "honorable discharge" isn't defined as

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being equivalent to a "general discharge under honorable conditions." Rather, it tries to say that the benefits are available to each kind of discharge. And yes, probably there are some who got a general discharge, who you might not want to get these benefits, but there are also some that you probably would want to get these benefits. And trying to be fair, if you don't have a standard definition, would be very difficult. I mean, people were given "general discharges under honorable conditions," to the best of my knowledge, from the things that I've been told, for a variety of reasons, and some of them not substantive at all, not reflecting that person's actual service record. So I think it's the only way to solve it, that's as fair as it can be. I would like to say that originally we were really smart, and I think we were the only state that did set up these benefits in this way. Most states, or some states at least, chose to give their veterans bonuses when they left the service. And we said, no, we're not going to do that. We're going to set up a fund that will be perpetual, that will offer these benefits to any veteran. And so they might not have gotten an initial payoff, but probably their payoff over the years has been even greater because we've been able to invest those funds, they've grown, and everybody has benefited from them. The final thing I would like to say is that I believe that it's possible we may start debate on the floor on Tuesday, and I think that if we really want to take care of this in a very timely fashion, if we would put this bill out of committee right away, it would have a chance of getting debated quite early. And we could get this solved and we wouldn't have to have people still waiting to find out whether they were going to get benefits or not. With that, I appreciate your attention and if you have any other questions, I'd be happy to try to answer them.

SENATOR BROWN: Any further questions for Senator Schimek?

SENATOR SCHIMEK: Thank you.

SENATOR BROWN: Thank you. The hearing for LB 54 is over.

SENATOR SCHIMEK: Okay, thank you, Senator Brown. The next bill on the agenda is LB 96. And Senator Janssen is here to join the committee, and it's always a pleasure to have you back with us, Senator Janssen.

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LB 96

SENATOR JANSSEN: Oh, it's always nice to be here, Senator Schimek. Good afternoon, Senator Schimek, members of the Government, Military and Veterans Affairs Committee. For the record, my name is Ray Janssen. I represent the 15th Legislative District, and I like to say the "Pathfinder District." I'm here today to introduce to you LB 96, which provides for an increase for the National Guard members in the tuition reimbursement from 75 percent to 100 percent. Currently, we are not providing enough funding to fully fund the requests for reimbursement at 75 percent. I have an amendment prepared that increases the cap in the statutes from \$900,000 to \$1.5 million. It is my desire to fully fund this program so that this credit is available to members who want to take advantage of the program. The National Guard, as you all know, is a resource that Nebraska can always call upon in time of need. They are called up to give assistance with natural disasters, civil disturbances, terrorist acts, and in times of war the dedicated men and women of the National Guard, which make up the National Guard, are asked to make great sacrifices, not only in times of war, but also in peacetime. This increase in tuition assistance will be a valuable recruitment tool for the National Guard. I always like to mention it as the recruitment and retention bill. It will help keep the National Guard strong. Not only will this bill give the National Guard a recruitment tool, as I said, it will offer the opportunity for college education to many who may not otherwise have had that chance. A lot is asked of our men and women in uniform, and we speak and many of our citizen soldiers in this region of the world where the comforts are few and the dangers are many, as you are all aware of, I believe that they deserve our full support. And with that, I'll close and try to answer any questions you may have. There are people following me who will be able to allude a little bit more on what is happening and the strength and so on and so forth of the Guard at this present time.

SENATOR SCHIMEK: Thank you, Senator Janssen. Are there questions? I have one, Senator, and I know this issue arises every so often, in fact I've often asked about it.

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But it was my understanding, at least for awhile, that the 75 percent was adequate for recruitment purposes. And I've always been willing to go to 100 percent; in fact, we've discussed that before while you were on this committee.

SENATOR JANSSEN: Um-hum, um-hum, absolutely, um-hum.

SENATOR SCHIMEK: But can you tell us...

SENATOR JANSSEN: Sure, you bet. A few facts and figures that I have here, there were 646 member students took advantage of the tuition assistance program at a total expenditure this year of \$808,000. One hundred and fifty members didn't get tuition credit due to the lack of funds last year. Those funds...who applied for those funds at 75 percent would have cost the state \$995,000, so we were right up against that cap. Seventy-seven Army National Guard members took advantage of federal funds in 2004. The Guard members can get full federal tuition assistance, but when they do they forfeit the Montgomery GI Bill support. There's no federal tuition assistance fund available to Air Guard members. In the 2002 budget, we cut the program from \$900,000 down to \$828,000. The Governor's budget for the fiscal year 2006 restores the funding to \$900,000. So using the figures from 2004 tuition expenses, the number of students applying, if we funded that fully, all applicants at 100 percent, would be \$1,377,000.

SENATOR SCHIMEK: One million what?

SENATOR JANSSEN: \$1,327,957, to be exact.

SENATOR SCHIMEK: Thank you.

SENATOR JANSSEN: No cents on that.

SENATOR SCHIMEK: Thank you. Senator Wehrbein has a question.

SENATOR WEHRBEIN: Senator, but if...you didn't change the cap, or have you in this bill?

SENATOR JANSSEN: Yes, it would put it to a hundred. Yes, we are...

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SENATOR WEHRBEIN: No, I mean the nine hundred...

SENATOR JANSSEN: We have the amendment to change that cap.

SENATOR WEHRBEIN: Oh, you do.

SENATOR JANSSEN: Yes, uh-huh.

SENATOR WEHRBEIN: Okay. To \$1,300,000.

SENATOR JANSSEN: To \$1,500,000.

SENATOR WEHRBEIN: Okay, I missed that. Okay. Thank you.

SENATOR JANSSEN: Um-hum. I'll leave that amendment with you here, too.

SENATOR SCHIMEK: Seeing no other questions, Senator Janssen, thank you very much for being with us.

SENATOR JANSSEN: And I will stick around to close, too. All right. Thank you.

SENATOR SCHIMEK: Great, okay. And you might want to give us a copy of that amendment.

SENATOR JANSSEN: I'm sorry?

SENATOR SCHIMEK: We might want to have a copy of that amendment.

SENATOR JANSSEN: I'll just give you this amendment, all right?

SENATOR SCHIMEK: Okay, that would be fine. All right. We'll now take proponents of the bill. Anyone who wishes to testify in favor, please come forward and anybody else who wants to be preparing to come forward.

DARYL BOHAC: (Exhibit 1) Good afternoon, Senator Schimek and members of the Government, Military and Veterans Affairs Committee. I'm Lieutenant Colonel Daryl Bohac. My name is spelled D-a-r-y-l, the last name is B-o-h-a-c. And I'm here

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representing the Officer and Enlisted Associations of the Nebraska National Guard and to offer testimony in support of LB 96. We're mostly here to thank this committee and the Legislature for support of the program in the past. We are grateful for your support. It's clear this program makes a difference in the Nebraska National Guard's ability to recruit and retain members. In particular, the Army National Guard was one of only a handful of states that met their in-strength goal at the end of September 2004; this despite the increased rate and length of deployments members of the National Guard have faced since September 11, 2001. In 1999, when tuition assistance was 50 percent, the Nebraska Army National Guard recruited 384 new members. Following the increase in tuition assistance to 75 percent, we have seen dramatic increases in the numbers of new members recruited, and last year 480 new members were recruited into the Army National Guard. Less dramatic, but no less important results, are also noted for the Air National Guard. Seventy-seven new members were recruited in 1999, while 120 new members were recruited last year in 2004. Another way to measure the effectiveness of the program is to see how many enlisted members have college degrees. In the Nebraska Army National Guard, it's a little over 11 percent. And as you can see in the handout in front of you, that compares most favorably to active duty which is quite a bit less. For the Nebraska Air National Guard it is almost 8 percent. These figures probably underestimate the impact of the program since many persons who earn their four-year degree become officers in the National Guard and continue to serve. On a more personal note, that was true in my case. I was an enlisted member before I received my commission; I was a participant in the tuition assistance program; and I've remained in the National Guard for over 26 years now. And I ultimately earned my doctorate, and I think that this program played a role in that and I'm grateful to have had access to such a program. It's also important to note that in the same interval, the University of Nebraska-Lincoln's tuition cost, which is the benchmark for the program, have had a steady and significant increase. The cumulative increase since 1999 has been just over 55 percent. That means that fewer members of the Nebraska National Guard are able to access the tuition assistance program since it costs more per member using the program than it did in 1999. This fiscal year the entire

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appropriation has essentially been obligated. That potentially means that soldiers and airmen, returning from serving on active duty in the Global War on Terrorism, may not have the opportunity to return to their postsecondary education endeavors, or have to delay at worst. That also means for 100 percent tuition assistance to be effective, a commensurate increase in the appropriation for this program would be required. We fully believe that the current rate at which our soldiers and airmen are being deployed will continue for the foreseeable future. Consequently, more members of the National Guard will have their educational endeavors interrupted. The tuition assistance program can help alleviate the impact of these deployments. More importantly, the program will help us retain people who have critical skills and experiences. This program is an important part of maintaining readiness for the Nebraska National Guard. This program is a retention tool; it helps us keep first-term soldiers and airmen who are coming up on their first-term reenlistment period. Another factor that has direct impact on the Nebraska National Guard is our increasing role in homeland defense and security. While that role is still being developed, it is increasingly clear that we're going to be asked to respond not only to overseas missions and state disasters, but also homeland federal missions likely right here in the state of Nebraska. Well, you might ask why increase the level of assistance if the program is working so well? As you can see, we've had increased demands placed on our soldiers and airmen. We don't see that coming to an end anytime soon. The increase in expectations coupled with the anticipated continuation of these demands for the foreseeable future have us worried about our ability to recruit and retain soldiers and airmen. Quite frankly, the days of one weekend a month, two weeks in the summer, are long over. The Officer and Enlisted Association asks that you support the increase in the tuition assistance program. We recognize that there are many other programs that are deserving, but we respectfully ask...however we stand ready to respond to all threats and disasters here in Nebraska, throughout the United States and abroad. We respectfully ask that you support our soldiers and airmen of the Nebraska National Guard by moving this bill out of committee for consideration by the full Legislature. Senator Schimek and members of the committee, thank you for your time and attention. I'd be happy to

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answer any questions at this time.

SENATOR SCHIMEK: And forgive me, I didn't catch your rank; Lieutenant?

DARYL BOHAC: Lieutenant Colonel.

SENATOR SCHIMEK: Lieutenant Colonel Bohac. Thank you very much. Are there questions? Yes, Senator Mines.

SENATOR MINES: I do. Thank you, Madam Chair. Lieutenant Commander, first of all I am in principle support, what the Senator has introduced here, but I do have a question. You raised that you received tuition assistance through your doctorate. Was that a fair...

DARYL BOHAC: No, that's not true. I ultimately earned my doctorate, but the only...the program as it's currently administered only applies benefits up through the bachelor's degree program.

SENATOR MINES: So it's an undergraduate support system.

DARYL BOHAC: That's correct. Um-hum. SENATOR MINES: Okay, good.

DARYL BOHAC: Yes, sir.

SENATOR MINES: Good. I was wondering if...

DARYL BOHAC: Yeah.

SENATOR MINES: ...we're providing tuition assistance beyond undergraduate?

DARYL BOHAC: No, sir.

SENATOR MINES: Then we're limiting...

DARYL BOHAC: Um-hum. No. Just for up through the bachelor's degree. And the other limitation that is in the statute currently is that it has to be used in the first ten years of membership in the Nebraska National Guard. Clearly targeted at retaining and recruiting our young

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soldiers and airmen, keeping them there.

SENATOR MINES: Thank you.

SENATOR SCHIMEK: Good question. Any others? Seeing none, thank you very much for being with us today. We appreciate it. Next proponent.

DENNIS BAACK: Senator Schimek and members of the Government Committee, for the record my name is Dennis Baack, B-a-a-c-k, and I'm the executive director of the Nebraska Community College Association, here to testify in support of LB 96. We have always been supportive of this program in the community colleges. We think it's an excellent benefit for the individuals involved and we do appreciate the fact that Senator Janssen is going to fully fund this program; that's an important part for us. And...

SENATOR SCHIMEK: He's going to do this personally? (Laughter) Oh, he's going to do this personally?

DENNIS BAACK: Yeah. Yeah. Well, if it doesn't pass in the Legislature, I assume he's going to cover it. (Laugh)

SENATOR SCHIMEK: Okay. Sorry, I couldn't resist.

DENNIS BAACK: With that, I'd be happy to answer any questions if you have any.

SENATOR SCHIMEK: Okay. Are there any questions? I might say it's very nice to see you back at the Government Committee hearing.

DENNIS BAACK: I used to be here, yes,...

SENATOR SCHIMEK: Yes.

DENNIS BAACK: ...a long, long time ago.

SENATOR SCHIMEK: Sitting exactly where I'm sitting right now, right?

DENNIS BAACK: Unfortunately, yes. (Laughter)

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SENATOR SCHIMEK: Thank you, Senator Baack, or Mr. Baack.

DENNIS BAACK: Is that General Baack?

SENATOR SCHIMEK: General Baack, yes.

STAN CARPENTER: Senator Schimek, members of the committee, I'm Stan Carpenter; that's S-t-a-n C-a-r-p-e-n-t-e-r. I'm the executive director of the Nebraska State College System, and I'm here to testify in support of LB 96. It's a very important program for our institutions. We've been extremely pleased with the quality of the folks who come to us from the National Guard. Last year we served around 60 or so students and it was about \$84,000 from the program that came to our institutions. As you all probably know, the Army National Guard is directly across the street from Chadron State College, so there's a great connection there, as there is in Wayne and Peru, as well. We know that Peru serves Offutt Air Force Base exceptionally well also. Anyway, we're very much in favor of the program. We appreciate Senator Janssen's interest in this and appreciating the fact that he'll write the check himself if the Legislature chooses not to fund that additional \$600,000. That really means a lot to us. And I'd be happy to answer any questions you might have.

SENATOR SCHIMEK: Thank you. And this is a matter of public record. (Laughter)

STAN CARPENTER: It's a matter of public record, yes. Thank you, Senator.

SENATOR SCHIMEK: Are there any questions?

STAN CARPENTER: Thank you.

SENATOR SCHIMEK: Thank you. I wish I would have asked Dennis about the number of students. He doesn't know. Thank you. A lot.

TIP O'NEILL: Senator Schimek, members of the committee, my names is Tip O'Neill, that's O-'-N-e-i-l-l. I'm the president of the Association of Independent Colleges and Universities of Nebraska, which is a consortium of

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14 privately controlled, regionally accredited institutions located within the state. We also participate in this program, and, Senator, I don't know how many students we have; it's not a huge number but it's a good number. We've always had an extremely positive relationship with the National Guard and all of the sorts of agreements that we have been able to enter in with them. And this is a good program. While I realize the bill can't pass until after we pass the mainline budget bill because it will have a fiscal note, I think it would be certainly a good sign to our Armed Forces members and the members of the Nebraska National Guard, that this would be a bill that could pass just as soon after we pass the mainline budget as possible. I'd be happy to answer any questions you might have.

SENATOR SCHIMEK: Any questions?

TIP O'NEILL: And it's a lot of sausages, if Senator Janssen is going to be paying for the program.

SENATOR SCHIMEK: Yes, it is.

TIP O'NEILL: So thank you.

SENATOR SCHIMEK: Thank you for being with us today. Are there other proponents?

RON WITHEM: Senator Schimek, members of the Government, Military and Veterans Affairs Committee, I'm Ron Withem, W-i-t-h-e-m, representing the University of Nebraska. I'm here to make the higher education group unanimous today. We're also supportive of the program. I was sitting here thinking, Senator Schimek, that my first legislative aide when I was in the Legislature, a mutual friend of ours, Margaret Jurgensen, availed herself of this program and was able to get her degree as a result of this program and is doing quite well, so. Like the last three, I do not know the extent to which the university participates in this. To the extent that you would like to have that information, I'll get it for you, but we are also supportive of the program.

SENATOR SCHIMEK: It was just a matter of curiosity more than anything else. And I might also observe that there

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could also be, almost could be a Government Committee reunion today, since...

RON WITHEM: We can get Jerry Conway to come back down too, if you would like. But there's no smoking anymore, so he wouldn't do well.

SENATOR SCHIMEK: That's true. Thank you Senator Withem. Are there others? Next proponent.

LEE PETERSON: Good afternoon, Senator Schimek, ladies and gentlemen of the committee. Thank you for giving me the opportunity to be able to stay here and address the committee today. I am Sergeant First Class Lee Peterson, that's L-e-e P-e-t-e-r-s-o-n. I graduated from Lincoln Southeast High School in 1991. I then joined the United States Army, serving two years on active duty as an artillery man. In 1994, I joined the Nebraska Army National Guard and currently serve as a recruiter assigned to Lincoln Southeast and Lincoln Southwest high schools here in Lincoln. My responsibilities include explaining Guard benefits to assist young people to find ways to pay for college. I have found this to be one of the most rewarding experiences of my life. We have experienced a gain of 120 soldiers over the last six years, or the equivalent of an entire military company. Several factors come into play when we see new growth, but I believe that tuition assistance increase from 50 to 75 percent has played a large role in that equation. This growth comes at a time when challenges to recruiting college-bound high school students and retaining trained soldiers continue to increase. From 1999 to 2004, our retention rate showed an average of 3.5 percent, proving, I believe, that our soldiers see the value of the opportunities the Guard has to offer. Reenlistments nearly always signal a positive belief in what a soldier is doing. For this reason, a large percentage of today's Nebraska Army National Guard soldiers continue to reenlist and to strive toward a 20-year retirement. My experiences in the military have led me to believe that people always seize the opportunity. I believe that the tuition assistance program is an excellent example of this opportunity. In today's competitive recruiting environment, it is one of the foremost programs that the Nebraska National Guard has to offer. It is becoming increasingly

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difficult to compete with civilian companies that offer 100 percent tuition packages. Nearly every soldier that I have recruited into the National Guard has stated there are two reasons they joined: first, the opportunity to pay for college, and secondly, the opportunity to serve their community, state, and nation. My continued success as a Nebraska Army National Guard recruiter relies heavily on my ability to visit high school classrooms and discuss the value of motivated and highly-educated soldiers. This makes the tuition assistance program critical to my continued success. We also have witnessed the impact from soldiers that have recently left active service. Increasingly, these prior service soldiers who are trained and are critically important to our readiness posture, shop around for states that have the best college opportunities. Oftentimes these trained individuals opt to attend colleges in other states instead of keeping the money and experience here in Nebraska. Having tuition assistance offered increases our chances of keeping these trained and motivated soldiers as well. In spite of the forces present today, in today's recruiting environment, students will continue to take a much closer look at the Nebraska Army National Guard as their first choice for military service. The tuition assistance program is a definite factor in these students' decision making process. I often tell people that are interested in the National Guard not only to look at the features, but the benefits as well. Offering a 100 percent tuition assistance can only enhance our chances at recruiting quality soldier for tomorrow's Army National Guard. Thank you again for your time.

SENATOR SCHIMEK: Thank you, Sergeant Peterson. Are there any other questions? Senator Wehrbein.

SENATOR WEHRBEIN: Thank you. I may have missed it. What percentage roughly of your unit members take advantage of it?

LEE PETERSON: I don't think that I mentioned that in here, Senator, but as far as overall that are using the program?

SENATOR WEHRBEIN: I mean as a guess or...

LEE PETERSON: There's approximately 600, right now, of the

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potentials that we have. It fluctuates again from year to year.

SENATOR WEHRBEIN: And out of how many, is what I...percentage-wise.

LEE PETERSON: Out of the 3,400 that we have...

SENATOR WEHRBEIN: Okay, 600, so.

LEE PETERSON: Yeah. And that fluctuates...I believe that two years ago it was closer to the neighborhood of 900. And that's off the top of my head right now, Senator. I don't have those figures.

SENATOR WEHRBEIN: Okay, so it's gone from a fourth down to something less.

LEE PETERSON: It has decreased in certain areas. I think that the difference there too, with the increase, would definitely open some other people's eyes to the opportunities. My personal experience, I used it initially when it was 50 percent. At that time I was raising a family and had some other full-time employment things and it just wasn't quite doing it. But I know at 100 percent, it definitely would fit the bill.

SENATOR WEHRBEIN: Thank you.

SENATOR SCHIMEK: Thank you for being with us today.

LEE PETERSON: Thank you.

SENATOR SCHIMEK: We appreciate it. Next proponent.

LINDSAY SILLMAN: Good afternoon. My name is Lindsay Sillman, L-i-n-d-s-a-y S-i-l-l-m-a-n. I'm a specialist, currently serving in the 105th Personnel Services Detachment here in Lincoln, Nebraska. I joined the Army National Guard nearly five years ago, as a senior at Beatrice High School. I had been considering other branches of the military until a recruiter explained the college benefits to me from the National Guard, and the opportunity that he explained to me to serve not only my nation, but my state as well. He

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explained that tuition assistance program had been enacted by the Legislature as a way of saying "thank you" for serving your state in times of emergency. I placed my college career on hold in February 2003, when I was called to serve my country in Operation Iraqi Freedom. I probably fulfilled this one-year tour as a personnel service specialist with my unit in Camp Wolf, Kuwait. Although I was extremely proud of my service in Operation Iraqi Freedom, it was great to return home and begin my college career where I had left off. This month marks the second anniversary of our mobilization notice, and it has been nearly over a year since I have returned from Kuwait. Currently I am a junior attending the University of Nebraska-Lincoln, pursuing a degree in criminal justice. I continue to drill at the Nebraska National Guard one weekend a month, two weeks out of the year. I am taking advantage of all the benefits that the National Guard has to offer, including the state's 75 percent tuition assistance program. Without this assistance, I would have incurred a large loan debt or even had to delay my college indefinitely. To conclude, I would like to express my gratitude and the gratitude of hundreds of my fellow soldiers to the state legislators for providing this college assistance. Your continued support for Nebraska National Guard soldiers is greatly appreciated. Thank you for your time.

SENATOR SCHIMEK: Thank you. And thank you very much for all that you do; I should say that to everybody who has come up to testify. It's very appreciated, so thank you back.

LINDSAY SILLMAN: Thank you for your time.

SENATOR SCHIMEK: Next proponent.

JODY KOUMA: They saved the best for last. (Laughter) The name is Jody Kouma, J-o-d-y K-o-u-m-a. My role is to let you know that I'm one of many examples who used the tuition assistance in the Air National Guard, and have obtained my degree. In fact, ladies and gentlemen, I came to testify in front of the committee back in 1999, when we came to you and asked for the 100 percent then. Instead, you honored 75 percent, which as a user, I thank you for. But I hope today, right now, we can seal the deal, so to speak, that when you discuss the many bills that have been presented to

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you yesterday, today, and tomorrow, why this bill will stick in your mind of serving Nebraskans. Let's go back to who am I. My name is Tech Sergeant Jody Kouma. I have been in the Air National Guard for 10 years. My primary reason, and as Sergeant First Class Peterson, was to join the National Guard for tuition assistance and nothing else. Upon return from military training and waiting for the semester of school to start up, I obtained a temporary federal job with the National Guard in human resources. The temporary job soon became a permanent, and in the past 10 years I have moved up and around in the human resource office. Still fulfilling my dream of being the only one in my family to obtain a four-year college degree, I took classes part-time, and achieved that goal in May of 2004 at Doane College in Lincoln. My major: organizational communications. In English, it is a business degree of communications in the workplace, such as meetings, training, written, oral, nonverbal, verbal, and the list goes on. My degree substantiated my growth in human resources and just recently landed me a new job in the National Guard. Ladies and gentlemen, I'm putting your money to work. The reason I say this, because my new job is with the National Guard Counter Drug Program and the Drug Demand Reduction Team. My duties are working and presenting to Nebraska youth, statewide, the dangers, education, and overall awareness of what drugs can do to their lives. My communication and presentation skills I have acquired through my degree are being used tremendously, and thereby your dollars are well spent. In addition, within six months I will be taking the officer qualifying tests to further myself and serve the Air National Guard in a different light. Without a college degree, becoming an officer in the Air National Guard is not feasible. I relish the fact that the state of Nebraska and the Air National Guard gave me the best opportunity of my life. My degree has made me a better person, not only for the Guard, but for my family, my community, and government. Let's talk about my fellow soldiers and airmen. Why 100 percent? As previously stated, showing our recruits that we are behind them 100 percent is an ideal tool because so many civilian companies now offer tuition assistance. Some of them are: Experian, Gallup, Amigos, Super Saver, Lincoln Benefit Life, Ameritas, State Farm, Dillard's, and the list goes on. I'm told by my friends outside the Guard, family that have worked at these places, mention why should

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they join the Guard and have the possibility to be sent to war or in a position to provide homeland defense, when all they have to do is go to these companies to seek employment and obtain tuition assistance from them. I'm surrounded daily by individuals in the National Guard that are attending college or have their degree, that have obtained full-time employment with the National Guard. For those that haven't obtained the full-time employment, have used their education to seek higher graded positions, such as becoming officers or senior enlisted rank. The demands we served, that was mentioned in reference in the state, but you called upon us for the Hallam tornado. Two weeks ago we assisted in finding the two college students in Ashland, Nebraska. And did you know as a member of the Army National Guard, to get promoted, that it is on a point value system, and those that have civilian education are put above their counterparts for promotion? It is key for those in the Army that this assistance is behind them 100 percent, and not just 75. My last thing to share is this. You heard the statistics from Mr. Bohac, which by the way I hope to take his full-time job when I become an officer. Sergeant First Class Lee Peterson, as a recruiter and Specialist Sillman, as a deployed soldier and current user, but we need you to not only consider granting the 100 percent, but appropriating that additional money also. The reason I say this is I talked to my counterparts of what they want me to let the Legislature know, is a soldier came to me who was also deployed 18 months. He was a full-time student, he pulled out of his classes, went, served his country. He came back, tried to reenroll in the classes, but he was told that there was no money for him. So he has put his school off until the fall, but he's still serving in the National Guard. He obtained a full-time job to alleviate his finances until the fall year comes. In conclusion, this bill is one that will give the state of Nebraska tremendous rewards in years to come because after all, we are members in your community. I'm a true example that your dollars are not only well spent, but you and the state are getting my skills and talents through the Drug Demand Program. Thank you.

SENATOR SCHIMEK: Thank you, Sergeant Kouma. Are there any questions? Thank you. Very good testimony. Are there other proponents?

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DENNIS RASMUSSEN: Madam Chair, a few unprepared remarks. I'm Denny Rasmussen, R-a-s-m-u-s-s-e-n; I'm a registered lobbyist for the Officer Association. And believe it or not, I chaired your position 30 years ago now. And at that time, of course, money was more abundant. And I sponsored and helped pass the bill that's in law today, and at that time was 75 percent. You know, through the years we went from 75 to 50 when we were short of money, back to 75, and now asking for 100, and all through this period of time, until now, the extreme dangers that are there were not known, but they sure are there now. And I just would encourage you to pass this bill out quickly and get it moved across. And as Tip O'Neill said, "It can't pass into law until." But we won't have another opportunity probably such as this until...unless we do it quickly, and I would ask your committee to that, please.

SENATOR SCHIMEK: Thank you, Mr. Rasmussen. Are there other questions?

DENNIS RASMUSSEN: I can't believe how young people are. I saw Senator Janssen wince when that pretty young lady said, "I have 10 years of service." Looks very young.

SENATOR SCHIMEK: Gets so more all the time, too. Thank you. Are there any other proponents? Are there any who wish to testify in a neutral capacity? Or, no, are there any opponents? Opponents? Any who wish to testify in a neutral capacity? Senator Janssen, it's all yours to close on LB 96.

SENATOR JANSSEN: Just briefly, Senator Schimek. We hear these young people speak and I have all the respect in the world for them. Recruitment is up, even when our young people are in harm's way, and that says something for the dedication of these people. I know there'll be a lot of A bills this year, a lot of them. But I can't think of any other one that should be at the top of the list, helping these young people and keeping our strength up, for not only the state, but for our country also. So I hope you do advance the bill with the amendment to the floor so we can discuss it. Thank you.

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SENATOR SCHIMEK: Thank you. Seeing no further questions, that will conclude the hearing on LB 96. And Senator Synowiecki has just walked in the door to open on LB 103. That was quick. Good timing. I would ask if you have a conversation to conclude, that maybe you could conclude it outside. Thank you.

LB 103

SENATOR SYNOWIECKI: Good afternoon, Senator Schimek, members of the committee. I'm John Synowiecki; I represent District 7 here in the Legislature and I bring LB 103 before your committee today for consideration on behalf of the VFW, AMVETS, and many brave Nebraskans who have probably served our nation in uniform. Currently, only individuals who served in the Armed Forces of the United States during a period of war, or with Allied Forces and were citizens at the time of their service are eligible for admission to our state's veterans' homes. LB 103 changes two important provisions relating to the eligibility for admission to veterans' homes. First, LB 103 would make individuals who served in the Armed Forces of the United States at time other than a period of war, eligible for admission to a state veterans' home. Second, the bill would make you as citizens who served under Allied Forces but were not citizens at the time of their service, eligible for admission to a state veterans' home. The current policy excludes courageous individuals who volunteered to serve our country or fought side-by-side with Americans. The efforts of these individuals should not go unrewarded. They came forward and they served us proudly. Now it is our duty to provide them with the benefits that I believe that they so rightly deserve. At least 27 states have recognized the value of the service of peacetime veterans. These 27 states include Colorado, Iowa, Kansas, Missouri, Montana, North Dakota, and Wyoming, which admit veterans to their state veterans' homes...peacetime veterans to their state veterans' homes. These states have displayed a genuine commitment to those who served their nation and their state in the military. I fully realize there is concern over the fact that the federal government will not pay for the medical costs for peacetime veterans. The fact is however, that we currently admit individuals to the state, to our

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state's veterans' homes that do not qualify for this federal support. Spouses of wartime veterans are admitted to the home without a federal per diem. Additionally, we admit veterans of conflicts in Lebanon, Grenada, and Panama, all of whom are classified as peacetime veterans by the federal government. Admitting peacetime veterans would not set a new precedent in this area. I also understand there may be concern that wartime veterans are going to be left behind as a result of the legislation. I want to be clear. LB 103 does not prohibit or preclude the Department of Veterans' Affairs or the Health and Human Services from establishing a preference for wartime veterans. However, I think it is irresponsible to leave qualified peacetime veterans behind, particularly when veterans' homes' services are readily available. Now more than ever, we must be steadfast in our commitment to our troops and show future generations that we honor the sacrifices made by those who wear the uniform of the United States. Thank you, Senator Schimek and members. If there are any questions?

SENATOR SCHIMEK: Senator Wehrbein has a question.

SENATOR WEHRBEIN: Do you have others to testify, John?

SENATOR SYNOWIECKI: Yes; yes, Senator.

SENATOR WEHRBEIN: I guess I want to get into some details, so I don't know whether you have...

SENATOR SYNOWIECKI: There will be people behind me that will probably be better equipped to...

SENATOR WEHRBEIN: Thank you.

SENATOR SYNOWIECKI: ...from the department themselves.

SENATOR SCHIMEK: Just one question, John, or Senator. Did you bring this on anybody's behalf or is there a constituent that you know of, or what brought this to your attention, maybe I should ask?

SENATOR SYNOWIECKI: Yes, particularly with regard to the provision of the bill that allows those that served under Allied Forces but were not citizens at the time of their

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service; yes, that was brought on behalf of an individual by the name of Joe Swiniarski, who served in the Polish Military. He was not a citizen of the United States at the time of this service. I unfortunately need to inform the committee that he did pass away in October of 2004, and I kind of carried that aspect of the bill particularly for him. The bill was brought to me by AMVETS and other veterans' organizations. They brought the bill to me, and yes, I believe they will be testifying today, Senator.

SENATOR SCHIMEK: Okay. Thank you. Thank you for being with us today.

SENATOR SYNOWIECKI: Thank you.

SENATOR SCHIMEK: We appreciate it. Are there proponents of the bill?

JOHN LIEBSACK: Chairman and members of the committee, my name is John Liebsack, J-o-h-n L-i-e-b-s-a-c-k. I'm speaking today as a member of the AMVETS Department of Nebraska. We ask that this legislation be introduced because a majority of members are peacetime veterans and at the time are not eligible for admission to the state veterans' homes. Peacetime veterans served during a time when our nation was not at war, but our soldiers were still in danger and being killed, for instance in Berlin. Most of these peacetime veterans are lifetime Nebraskans and as such should be given eligibility to enter the veterans' homes. I know that those opposed to this change will have numbers claiming that it will cost the state tens of thousands of dollars because these veterans don't qualify for medical assistance. But we already have residents of the homes who don't qualify for the federal per diem. One solution might be that these veterans, that these vets are charged a maximum monthly rate for a couple of years, until we can figure out just what it is costing them, or to...it does seem strange that the homes admit nonveterans but restrict admissions for peacetime veterans. I'm also the county service officer for Douglas County, and at the present time I have three veterans that have contacted me recently about the vets home. One has MS and cancer and was too weak to attend today, and is from District 6. The other two members

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are a married couple, both are peacetime veterans, and wanted to know the cost, et cetera, of going to the veterans' homes so that they could do financial planning. I had to tell them, of course, that they're not eligible for the Nebraska Veterans' Homes. I also serve on the Board of Inquiry and Review for the Nebraska Veterans' Homes and have been a member of that committee for the past 10 years. If you have any questions, I'll try to answer them. Mr. Swiniarski is the veteran that applied through our office for admission to the veterans' homes.

SENATOR SCHIMEK: Thank you, Mr. Liebsack. Is there, yes, Senator, oh. Senator Wehrbein did you have a question?

SENATOR WEHRBEIN: Yes. What's the peacetime/wartime dates?

JOHN LIEBSACK: Peacetime is any time other than wartime. We would have...and that's the way they list it.

SENATOR WEHRBEIN: Well, there's official numbers on VFW, American Legion membership. Is it the same?

JOHN LIEBSACK: It doesn't always necessarily mean that. VFW membership typically is wartime, but people that...you gain membership by what medals you've earned, and certain medals were given during peacetime, so we have some peacetime veterans that belong to the Veterans of Foreign Wars.

SENATOR WEHRBEIN: But you must have a, what are the dates? I mean...

JOHN LIEBSACK: Okay. World War I, then there's a gap until World War II--that would be peacetime. From World War II to Korea would be...in between there would be peacetime.

SENATOR WEHRBEIN: And what is that, July 25, 1954, or what?

JOHN LIEBSACK: It's about the end of...I don't have a list in front of me.

SENATOR WEHRBEIN: But that's what you follow?

JOHN LIEBSACK: Yes, those dates are what we follow. The

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federal wartime dates.

SENATOR WEHRBEIN: And when is the...I've seen different members, so that's the reason I was asking. Vietnam is 1965, is it? Right?

SENATOR SCHIMEK: If I might, I think look on the fourth page of the bill and it will give you those dates, I think, for the...it's existing language. And it gives very specific dates.

SENATOR WEHRBEIN: Okay, '46.

SENATOR SCHIMEK: Like World War II is December 7, 1941, till December 31, 1946.

SENATOR WEHRBEIN: But you want to include all peacetime...the gaps then, is what your saying.

JOHN LIEBSACK: Yes. Yes, well, that's what we're looking at, which is about 20 percent of the total veteran population in Nebraska. In Douglas County, we have about a third of the veterans, and typically we have probably a dozen inquiries about the veterans' homes, a year, from peacetime veterans. Out of the applications that we take, usually no more than about 20 percent of those people actually go into the veterans' home.

SENATOR SCHIMEK: Yes, Senator Mines.

SENATOR MINES: I do. Thank you, Madam Chair. Mr. Liebsack, there are people...you said that there are people in homes, in the homes today, that are not veterans. Did I understand that right?

JOHN LIEBSACK: Yes.

SENATOR MINES: And how did they get in? I don't understand the procedure, nor do I understand who pays for them.

JOHN LIEBSACK: The nonveterans would be Gold Star parents. They would have had a son or a daughter killed during wartime. Or spouses of veterans become eligible for admission, and there are a number of spouses in our

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veterans' homes.

SENATOR MINES: And they are, and then the reimbursement or the payment is in what form? How are their funds paid?

JOHN LIEBSACK: Spouses would not be eligible for the daily per diem that the homes get. As wartime widows or widowers of veterans, they are eligible for pension aid and attendance. In the case of a widow or the widower, it would be about \$900 a month in medical costs that they would be eligible for.

SENATOR MINES: And if I read this right that may or may not cover their medical costs, is that correct?

JOHN LIEBSACK: No, definitely. It may not or, you know. What it is, it's a reimbursement for what they're paying to the home for their care.

SENATOR MINES: Got it.

JOHN LIEBSACK: And eventually it goes to the home.

SENATOR MINES: Thank you.

SENATOR SCHIMEK: I have one question which you may not be prepared to answer, but counsel observed that the definition of the noncitizen only applies to World War II, and does that make it inconsistent with the other wars that we're talking about under this bill? You don't even have to answer that, if you don't want to.

JOHN LIEBSACK: From the era when I was in Vietnam, there were many Canadians that served, and I served with some of those that were in our Army. And whether they became citizens or not, I don't know. They were eligible for citizenship.

SENATOR SCHIMEK: I'll ask the senator to maybe to address that on closing, okay? Thank you. Oh, did somebody have a question over here? Okay. Yes, Senator Wehrbein does.

SENATOR WEHRBEIN: I was reading the bill. 1990; are we still in wartime?

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JOHN LIEBSACK: Yes.

SENATOR WEHRBEIN: Since 1990? We've never gone out of...

JOHN LIEBSACK: They've never declared an ending date to the war.

SENATOR WEHRBEIN: Okay. Even the Persian Gulf War is still officially on then, right?

JOHN LIEBSACK: Right. If they bring those people home from Iraq, I suppose that that would end it.

SENATOR WEHRBEIN: But we did bring home most of the Persian Gulf.

JOHN LIEBSACK: But we still had people flying those north and south zones...

SENATOR WEHRBEIN: Sorties.

JOHN LIEBSACK: ...and the President never declared an end.

SENATOR WEHRBEIN: Okay, so we haven't had the proclamation...I didn't know that we did either, but I just thought I'd ask.

JOHN LIEBSACK: Yes. So, yeah, so we're accumulating a lot of wartime veterans right now.

SENATOR SCHIMEK: Thank you.

JOHN LIEBSACK: Thank you.

SENATOR SCHIMEK: Are there other proponents of the bill? And other proponents?

LAURA ANANIA: Good afternoon. I'm Laura Anania, spelled A-n-a-n-i-a, and I'm here representing the Great Plains Paralyzed Veterans of America. Thank you for providing us the opportunity to speak to you today. I'll be very brief. I would just like...we also have a large membership percentage that is peacetime veterans, and therefore not

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eligible for the veterans' homes at this time, and we would like also to support the inclusion of those veterans in the veterans' homes. We do many, many programs and joint efforts with the veterans' home in Omaha; a lot of different recreational activities. And these veterans don't recognize the difference between wartime and peacetime. They see themselves as veterans. And we are just here asking you to vote favorably on this bill. And I'll answer any questions, if I can.

SENATOR SCHIMEK: Thank you. Are there any questions? Seeing none, we appreciate your being with us this afternoon.

LAURA ANANIA: Thank you.

SENATOR SCHIMEK: Are there other proponents?

JIM HARRIS: Good afternoon, Senators. My name is Jim Harris, J-i-m H-a-r-r-i-s, and I'm here for this bill to be passed. I don't represent any group, although I am an AMVET veteran, and my wife is an AMVET veteran also. She had to work; she couldn't be here, but she wanted to be. I just feel that this is something that should be done. I was discharged honorably from the U.S. Navy. I was in the Navy from 1956 to 1959. I missed the Korean War benefits, and there's no benefits, as far as nursing homes, for me. I think that's probably something that we ought to get done. Time might be running out, you never can tell. I'd be glad to answer any questions if anybody has any?

SENATOR SCHIMEK: Thank you. Are there any questions? Seeing none, thank you for being here. We appreciate it.

JIM HARRIS: Thank you.

SENATOR SCHIMEK: Are there other proponents? Are there any opponents? Any of those who are opposed to the measure? Seeing none, are there any who wish to testify in a neutral capacity? Seeing none, Senator Synowiecki, would you like to close?

SENATOR SYNOWIECKI: I just appreciate the consideration by the committee. With reference to the serving as a

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noncitizen and then becoming a citizen, and the eligibility, it was specifically written for the World War II era, to fit specifically Joe Swiniarski's case. So that was a good pick-up by legal counsel and it is...it was written purposefully that way.

SENATOR SCHIMEK: Okay. Thank you. Seeing no further questions, thank you very much for being with us today. And that will conclude the hearing on LB 103. And I saw Senator Louden walk into the room, and he's here to introduce LB 227. Senator Louden.

LB 227

SENATOR LOUDEN: Thank you, Senator Schimek and members of the Government, Military and Veterans Affairs Committee. My name is LeRoy Louden; that's spelled L-o-u-d-e-n. I represent the 49th Legislative District and I'm here to introduce LB 227. This bill is being brought forward to realign the language that was in Senator Hartnett's LB 1231 that was passed last session. Senator Hartnett worked to create an endowment fund for perpetual maintenance of the state veterans' cemetery system. The wording used inadvertently released the state of Nebraska from any responsibility for the maintenance of the state veterans' cemetery system. By doing so, we signal to the federal government, which will fund the construction of the veterans' cemeteries, that the state is reluctant to construct and maintain the proposed cemeteries in Nebraska. The plan, as has been declared in statute, is to build three state veterans' cemeteries in Nebraska: one in Alliance, one in Grand Island, and one in Bellevue. The federal government will fund the construction of these facilities for our veterans, but we as a community and a state must be responsible for the maintenance of them. We as a state or community, must raise the cost of siting and engineering, and as the federal government pays for the construction, the siting and engineering funding will be reimbursed to the Veterans' Cemetery System Endowment Fund and will be used for perpetual care. The city of Alliance has already donated the land out there; they have agreed to do the maintenance on the cemetery system, as it is built. And also the fiscal, since the bill does not require the

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appropriation of general funds to the cemetery system operation, but merely provides the authority to do so, there would be no fiscal impact. Whether to actually appropriate general funds at some point in time is a separate decision for the Legislature, in the future, to make. I would ask that you would advance this bill as it is needed to clarify and maintain Nebraska's position as a leader of caring for and honoring our armed service veterans. And with that, I'd be willing to answer any questions.

SENATOR SCHIMEK: Seeing no questions, Senator Louden, I think you're going to get off easily today.

SENATOR LOUDEN: I hope that's a good sign. Thank you.

SENATOR SCHIMEK: Thank you. Are there proponents of the bill?

SENATOR LOUDEN: I didn't see you back there.

PAUL HARTNETT: I just snuck in.

SENATOR SCHIMEK: Senator Hartnett, it's a pleasure to see you.

PAUL HARTNETT: Senator Schimek and members of the Government Committee, for the record I'm Paul Hartnett, and I'm here representing myself, because some of my former colleagues have joined the lobbyist rank and I'm not, not yet. I appreciate the committee last year passing LB 1231, which was my priority bill, which allowed establishing three veterans' cemeteries in the state: one at Alliance, one in Grand Island, and one in Sarpy County. I think Senator Louden has said that they've already started the process of doing it. And I guess it was my understanding when I introduced this bill, and this committee I think, voted it unanimously out of committee, was that we would raise the money locally to do the cemetery, and there would be no state obligation as far as the cemeteries. And that's what...we're just starting the process; I think Alliance is ahead of us in the process. I think for them to qualify is a little less, has less burdensome than we do. But there is also, after you get, as I understand it, the cemetery constructed, there could be a means of reimbursing by the

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federal government. And when the Legislature passed the bill last year, that we kind of took the state some way out of the thing. And there's supposed to be somebody from the Veterans Administration here to testify. And I think that whether this is the approach, which Senator Louden has, and I think he said it just...it says it "may," the Legislature may appropriate \$100,000, it doesn't say...it's "may" rather than "shall." And whether this is the right approach, and so forth, I think it's very important for Alliance; I think it's very important for my area of the state that we have a veterans' cemetery. because...and I think especially with what is going on in Iraq, and so forth, is that... And my community has lots of veterans, so it's a very, very important issue for us. And so I think what we want to do is to some way we can qualify for, after we get the cemeteries built and we're in the process of starting the raising of funds in Bellevue, then we can then qualify. But changes it would take, we'd be glad to work...as a private citizen, be glad to work with the committee and with Senator Louden.

SENATOR SCHIMEK: Thank you, Senator Hartnett. Are there questions? I want to make sure that the committee understands what's being asked here. And you know, I think it's going to be hard to go back to the Legislature and say, you know, last year we said we didn't need any general funds, and this year we're coming back and changing our minds. Now, tell me why, once again, how that federal money works.

PAUL HARTNETT: I think, I don't know whether the gentleman is here yet or not, coming from the...

CLAUDIA LINDLEY: He's on his way.

PAUL HARTNETT: He's on his way here, Senator Schimek, and so he will, I think he'll be able to fill us in.

SENATOR SCHIMEK: Okay.

PAUL HARTNETT: I have not seen anything in writing from Mr. Hilgert, the Veterans Administration, but that's the word that came to both my office before the end of December 31, or whenever, and Senator Louden's office, and

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that we couldn't qualify...after we get things done, we couldn't qualify for federal funds.

SENATOR SCHIMEK: Without any state money.

PAUL HARTNETT: Without some state...and I don't know whether this is the right approach or not. I think that's...and like I say, I have not seen anything in writing, you know, how we have to fix it, Senator Schimek.

SENATOR SCHIMEK: Okay. Senator Wehrbein.

SENATOR WEHRBEIN: He's not here yet. I wanted to ask him, Senator, but I did get the transcript and have several spots in there where...and I didn't see anything in there from the feds that said this was necessary. There were several statements in there by several testifiers, and including from the cemetery association, who said that they would oppose the bill if there had to be perpetual care put in the bill with state funds, and so forth. So there was a lot of discussion on this, but no where does it show what the feds had any impact at that time.

PAUL HARTNETT: Yeah. There is, after you get the cemetery constructed, there is...the federal government will reimburse you for some of your expenses.

SENATOR WEHRBEIN: For perpetual care, maintenance?

PAUL HARTNETT: Yeah. And I'm not that familiar with it, Senator Wehrbein, so.

SENATOR WEHRBEIN: Now that's a questions we need to ask him, is that?

PAUL HARTNETT: Yeah. And I guess it was last year when I had the bill, we were not...it came as a surprise to me because we, in my community, are gearing up to raise whatever it takes, you know, does it take \$8 million or \$10 million, we're going to try to do that. And I think Alliance's is a little smaller cemetery. We're looking at 40 acres and maybe an option on another 40 acres, so we'd have 80 acres. What has happened to us, Senator Wehrbein and maybe Senator Mines because you're...and Senator Brown,

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is that we thought we had a deal with the farmer who owns this land is asking us for \$5,000 more an acre than we're willing to pay. So we're kind of at a sticking point. So we may be looking for...Senator Wehrbein, maybe we're looking at land in your district, not in my district, because Senator Wehrbein's land is...he comes into Sarpy County.

SENATOR SCHIMEK: Well, I might ask at this point, are there other proponents of the bill who are here with us at this time? I guess we'll just have to stand at ease then, probably, for a few minutes. You think he'll be here any moment?

PAUL HARTNETT: He called. According to Claudia, he called.

SENATOR WEHRBEIN: He was coming on his way.

CLAUDIA LINDLEY: He's just looking for a parking place, supposedly. He's here, and his plane was delayed leaving Washington.

SENATOR SCHIMEK: We're going to take a five minute recess, and we'll come back in five minutes and continue the hearing.

AT EASE

SENATOR SCHIMEK: Welcome.

WILLIAM JAYNE: Thank you. Good to be here.

SENATOR SCHIMEK: We appreciate your coming so far and traveling under less than great circumstances, but we're glad to have you with us.

WILLIAM JAYNE: Well, thank you very much, and thank you for the opportunity to appear before you today. My name is Bill Jayne. I'm the director of the State Cemetery Grants Program.

SENATOR SCHIMEK: May I ask you to spell your name, please, your last name?

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WILLIAM JAYNE: (Exhibits 1-4) It's J-a-y-n-e. And I'm with the U.S. Department of Veterans' Affairs. And it's my intent today to provide some context for the State Cemetery Grants Program, to briefly tell you how it operates and to answer as many questions as I can. And it's my hope that you'll not only be able to support the States Cemetery Grants Program, but really embrace it. Let me give you, just quickly, a real bit of an introduction in terms of a personal story. I served as a Marine rifleman with the 26th Marine Regiment in Vietnam and the Tet Offensive of 1968, at a place called Khe Sahn. And one day my company lost 28 marines killed in action. One of those Marines was the sort of guy that everybody knew. He was a big guy, a born leader, a football player with a conspicuous gold tooth. His name was Ken Claire, and he grew up in Redwood City, California, almost literally within a stone's throw of the Golden Gate National Cemetery. The cemetery, at that time, all the cemeteries were administered by the Army, and their policy, the national policy, did not allow for expansion of veteran cemeteries. So there was no room for burial of Ken Claire at Golden Gate National Cemetery, or for thousands of other young men around the country at that time. Something had to be done, and in fact, a study was done at that time, at the federal level, that predicted that by the year 2000 there would be no veterans' cemetery space left in the country. Congress studied it, reacted, and in 1973 the bulk of the national cemeteries were transferred from the Army to the U.S. Department of Veterans Affairs. A couple of cemeteries, notably Arlington, were left with the Army, but it was recognized as a veterans' mission and transferred to VA. And VA was given the charge of expanding. And basically we've evolved a policy that's been endorsed by several laws since 1987, a national policy for veterans' cemeteries that relies on three elements. Number one, we build new national cemeteries where we can, when we can. And we do everything we can to keep existing cemeteries open. We expand, we buy land, we've even, for example, in San Diego, California, a cemetery called Fort Rosecrans has just totally run out of room, even for cremated remains. And we've acquired land, or in the process of acquiring land from the Navy at the Miramar Marine Air Station, which is about 10 miles away. So we're going to build, in essence, an annex to that closed cemetery. What we've got now...we took over 103 cemeteries

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in 1973, national cemeteries; now we have 120. But the cemeteries we've built, our big cemeteries that serve big metropolitan areas that were not served at all, places like Dallas and Chicago, Seattle, Cleveland, and we now have...we not only provide burial every year for almost three times as many people as we were able to in 1973--we've got more available space, plus the VA is working on 11 more new national cemeteries. Our policy, basically, is that if there's a veteran population of 170,000 or more within a 75-mile radius that's not served by any open state or national cemetery, VA will work to build a new national cemetery there. Now the third leg of VA's strategy is to State Cemetery Grants Program. And the State Cemetery Grants Program had done an awful lot of good work since 1980 when it was first authorized and money was appropriated for the program. But in the '90s it was really sort of...it had plateaued, it had hit a peak and it was difficult to move it along and continue to use the grant program to meet the needs of veterans. And so what happened was VA proposed and Congress approved a change in the law that allowed us to go from a 50-50 matching grant program to a 100 percent federally funded program. What we require from the states is that they front the planning costs, the costs needed to meet all the requirements of the federal grant program, especially to get our approval of the plans. And then the grant is awarded and the planning money is reimbursed. It's important to note that change in the law, which was obviously very, very significant, was not codified in regulations until last March. In March, 38 Code of Federal Regulations, Part 39, became final. And one of the major changes of that regulation was the introduction of a new required assurance from states that applied for grants. And that assurance that was required was that the states would assure the VA, the national government, that they would operate and maintain the cemetery according to national cemetery standards. And we've got very clear standards and I've got some copies of that, that I can leave with you. And we, in fact, if you'd like, I can pass them around and you can take a look at that.

SENATOR SCHIMEK: Do you have enough for all the members of the committee?

WILLIAM JAYNE: I've got three copies, ma'am, but I can...

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SENATOR SCHIMEK: That's okay, we can make, we'll make copies for the rest of the committee.

WILLIAM JAYNE: Okay.

SENATOR SCHIMEK: Maybe not right now, but we'll get them out to people.

WILLIAM JAYNE: I've also got some other handouts and perhaps we can pass some of them out now. The grant program, and since 1999, since the advent of 100 percent funding, we've added 21 new cemeteries and we've got two more under construction. And the kinds of populations that the grant program has been serving have been medium-sized, metropolitan areas, places like Omaha; Lincoln; Suffolk, Virginia, which is down around Tidewater, Virginia; Virginia Beach; Norfolk; and Boise, Idaho; Wichita, Kansas; places like that. Iowa just applied for a grant to serve the Des Moines area. We've also had a lot of success with the grant program in serving rather remote populations, which are not large populations but otherwise would have no veterans' cemetery service; places like Miles City, Montana; Caribou, Maine. We've also done very well with kind of concentrated veteran populations around military bases. For example, Kentucky just opened a cemetery last year at Fort Campbell, which is right on the Kentucky-Tennessee border, and veterans from both Tennessee and Kentucky are eligible for burial there. Operating veterans' cemeteries, I know that that's an issue that I always like to talk about. When they were having hearings at the federal level for the 100 percent funding, I received a very pointed question from a congressman from western Pennsylvania, and he asked, are you doing enough to ensure that the states, that applicants know what's expected of them in operating a veterans' cemetery? So I'm always at pains to try to explain to states, to applicants for grants, that veterans' cemeteries are held to a very high standard, and rightfully so. In a sense, I think it's pretty clear, pretty obvious in my experience that conditions that people accept at a private cemetery are not accepted at a veterans' cemetery. I've got some group of pictures there, and kind of on one column you'll see some of the good, and on the other column some of the bad. Veterans' cemeteries are very...what makes

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them a veterans' cemetery is the quarter, the rank and file, the headstones, the fact that everyone is treated equitably. One doesn't reserve a special site for your family. It's first come, first served. And it, in a sense, replicates that order and equality, if you will, of the military, of military service. And it's difficult to do. It's not very difficult, it's not impossible. That booklet that I passed out tells how to do it. But one of the things with veterans' cemeteries that's very, very important is that it's essential to stay ahead of the curve. You can get to the point where problems are overwhelming and very expensive to try to fix, for example, the things like the alignment of the headstones or the quality of the turf with the condition of equipment. It's not difficult, it's not overwhelming, but it's very important to stay ahead of the curve because it's a case of an ounce of prevention is worth tons of cure. When you get bad conditions in veterans' cemeteries, people take it personally. They complain loudly to the highest levels. So what we do is we work very hard with the states to provide them with all the information we can, with all the educational opportunities we can. All the state cemetery people, state's veterans' affairs departments that are interested in veterans' cemeteries are invited to our conferences every year for training. We've set up a national training center for national cemetery directors and foremen, and so forth, in St. Louis, near big Jefferson Barracks National Cemetery. And we're going to work out a program where state people can come to that training center for periods of time, a couple of weeks, and so on, for training opportunities. We've got a communications network where we send out things like those operational standards and measures to the states so they're aware of what's expected of them and how it can be done. The VA has had notable success. Not only have we expanded in the past few years, we've had a real emphasis on operations and maintenance, a high quality, and it shows with some of the surveying and testing that's been done. An independent survey done through the University of Michigan, called the American Consumer Satisfaction Index, gave the National Cemetery Administration a rating of 95 out of 100, from the funeral homes and families that had used our cemeteries. And that was the highest rating ever achieved by a federal agency. So we want to do everything we can to help the states meet that same standard of quality. What are the

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primary cost factors in operating veterans' cemetery? The number of interments that are done every year is probably the major driver of cost. A cemetery in a place like Sarpy County is going to be more expensive, obviously, to operate than one in Box Butte County because there's going to be more interments, more burials, more activity. Other drivers are the number of acres maintained. When we build cemeteries, one thing we do is we build them in phases. If we've got a 30-acre site, for example, we don't develop the entire site right at first because that's going to give you 15, 20, or more acres to maintain that you're not going to need for years. Our grant program can come back and give a second grant, or a third grant for expansion and improvement, so we don't build out too much. And also the third major driver of costs, of operating costs, is the number of grave sites that are maintained. An older cemetery, like Fort McPherson in Maxwell, Nebraska, with several thousand graves to take care of, that's a cost factor that drives up the cost of operating that cemetery. So as your cemeteries age, that factor will become more important. In closing, let me just say that why are state cemeteries a good idea? And I always point to the huge numbers of veterans; we still have 25 million veterans in the country today. From 1917 to 1975, the United States fought four major wars. The country was at war for 23 out of those 58 years. Thirty-five million people wore the uniforms of our country and nearly 700,000 died in the service. The need is urgent; it's huge. Veterans cut across all the entire spectrum of the population and the veterans' cemeteries provide a real service to people who have earned that service. It's a way of thanking all veterans; it's a very clear, memorable, dramatic way of saying thanks for your service. And it's also a message for everyone else in the society, everyone else that comes after us, that freedom isn't free; your freedom was bought at a great price, and treasure it and treasure the memory of those who served to defend your freedom. And that's why I think it's a good idea and that's why I think that I would hope it's a mission that the state of Nebraska can really embrace and get started with.

SENATOR SCHIMEK: Thank you. Are there questions?
Senator Wehrbein.

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SENATOR WEHRBEIN: It looks like to me, I missed the first part, I'm sorry. But maybe you answered my...but the rub is that you said it was codified in March last year, 2004. And the bill that we're working from, not this one, was February 2004, which stated, peculiar, that it was not to be any general funds. And I...so I guess we...we, being the Legislature in general, wasn't aware that that was a demand from the feds on this issue. So I think we'll have to...the circumstances have changed, in my mind, would that...?

WILLIAM JAYNE: Yes, sir, I think so. I think that all the expectations, and so forth, haven't changed, but the regulations formally did change at the end of March of 2004, and that was not an assurance. We require of all applicants for grants, a certain number of standard assurances that are required by the office of management and budget, that the grantee will abide by Civil Rights Act, and so forth, and that sort of, the Environmental Protection, and so on. But this was a new one that was added by VA last year at the end of March.

SENATOR WEHRBEIN: I guess when the bill was passed there was an assurance by several; I have the transcript here that it was not intended to have state general funds in the issue. And it's not that it's not appreciative, certainly on my part, that the veterans, it's simply a lack of funding which is a serious, a more serious issue a year ago than it is today perhaps, but. And then there were some taxpayers also testified that they would like to have taxpayer assistance, too, to maintain their cemeteries. So that, to me, is going to be the issue; the hurdle is to change in premises.

WILLIAM JAYNE: Well, one of the...it's a question that comes up all across the country, and several states, from Hawaii, for example, which operates several very, very small cemeteries on what they call the neighbor islands, to the state of California, which is right now under construction with their first state veterans' cemetery in a place called Redding, north of Sacramento. They've both gone out to local jurisdictions and gotten kind of sharing agreements, if you will, memorandums of understanding, to help with costs. For example, California water was a big issue, the cost of water for irrigation and so forth. So the county

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was able to help with that. So that's something that can be worked out. It's not a requirement that the state must provide every last penny of the operating, but the state needs to be able to, in good faith, sign that assurance that it will operate and maintain the cemeteries according to national cemetery standards. And in order to do that, I think you've got to be able to fund a certain level of operations and maintenance if it's needed. If you've got, I've read the bill and the existing law, and if you've got money in those funds, hopefully, it should work. But the rub is if you've got an urgent need, damage from weather or something like that, or a key piece of equipment breaks down and you need to come up with a fairly large chunk of money, pretty quickly, all those kind of things go into the equation. I think you need to be able to say that those things will be taken care of. You don't have the option, once you open the cemetery, just to say, well, we're going to close it for a couple of months because there's no money in the fund, no one donated. Another big issue there, in my mind, is the need for the cemeteries, with the need with the aging veteran population, the need is great. It will remain high for another 20 years or so, but the need is at its height between now and 2010.

SENATOR WEHRBEIN: Do you have a standard formula for perpetual care, any kind of a standard per grave, or however?

WILLIAM JAYNE: Yes, sir. And I can...a lot of it is just guesswork at this point. But what I've done is tried to analyze the veteran population within 75 miles of the three sites; apply kind of a standard figure, a guess if you will, of how many of the veterans and their families would choose to use the cemetery; another factor for dependents, spouses that are also eligible for burial; and then kind of extrapolate out the acreage and factors such as how many burials take place over a period of time that need to be maintained. It's also important to note that the VA pays a...the state is totally responsible for operations and maintenance, but the VA does pay a \$300 payment called the plot allowance to the state for each veteran that's buried at no cost. Most states, not all, but most, do also charge for usually about \$300, sometimes less if it's a cremation, for burial of a spouse or dependent child. So those are

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sources of revenue that help support this 60, there are 60 now, state veterans' cemeteries across the country that are operating, that have been assisted by the grant program. So those are sources of funding that are used to help meet the needs of the cemeteries.

SENATOR WEHRBEIN: Thank you.

SENATOR SCHIMEK: I'm trying to get a handle on this, and it's still a little bit nebulous, and I'm not certain that I'm understanding. How much money does the planning, the up-front planning cost? How much money...? Does the state need to provide that out of its general funds or can it come out of the endowment funds that might be set up?

WILLIAM JAYNE: Well, it could come from the endowment fund.

SENATOR SCHIMEK: The endowment fund, all right.

WILLIAM JAYNE: And the rule of thumb is usually about 10 percent of the construction cost. So, for example, I think the preapplication which was filed, I think, in the year 2000 for a grant for Grand Island, the Veterans' Home, was about a total \$5 million grant request. And I think about \$4 million of that was estimated to be construction, so you would probably need about \$400,000 for planning, and that would be money that would be reimbursed. The way we operate with our program is that for the past few years we've been appropriated \$32 million a year for the grant program. And in order to make sure that money is being used most efficiently, we require the states to front the planning money and get our approval of the plans, and so forth. And then once we approve the plans, the states go out to bid, request construction bids for the project. Based on the bid, they submit the same form, they just check a different box, it's called the application, as opposed to the preapplication, asking for the exact amount of money that they need. That's what we award, and once we award that, we begin reimbursement. And we reimburse the state immediately for the money they've already spent for planning. That's done, there would have to be some forms filled out and so forth, but it's done electronically, and once we set it up, it's done very quickly.

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SENATOR SCHIMEK: Okay. So then what is needed is...there aren't any really state funds that ever have to be spent on this, in some respects, if your endowment fund is large enough. But you're saying there may be a time when an emergency situation might arise that you might need to come to the state, the cemetery association might need to come to the state, to handle an emergency situation. Is that what I'm understanding?

WILLIAM JAYNE: Yes, ma'am. I think that that's absolutely true and I also think that trying to fund a program with the three cemeteries that the Nebraska has earmarked just from donations, and so forth, is going to be very, very tough. I have no basis for predicting how long it would take to get enough money in the funds to do that, but I think it would be a very long time.

SENATOR SCHIMEK: Well, what you've just told us about the care of the cemeteries might take more money than maybe originally envisioned, as well, possibly; I don't know.

WILLIAM JAYNE: Um-hum. I would guess that, take the Grand Island cemetery, again, as an example, and I had figured that it would...let

me see if I can find that...about 22,000 veterans within 75 miles, and VA predicts that the number of veteran deaths, as an average annually, would be about 665 or so, 668, over about a fairly long period. If we say that about 25 percent of the veterans would use the cemetery, one dependent per each, per two veterans, gives an annual burial rate of about 250. We would need at least about 6.25, 7 acres of burial space, and work that all out using estimates of wages on the basis of what VA pays people to run a cemetery like Fort McPherson. And it comes up to a total of about \$114,000, \$115,000 a year. Throw in a little bit more for equipment and maintenance of roads and buildings and so forth. Then subtract out about \$50,000, or so, which is what VA would pay for the veterans who were buried there--\$300 plot allowance, and you come up with something like \$75,000, \$80,000 a year to operate it according to VA standards, if my projections are accurate.

SENATOR SCHIMEK: Do you have...did you present those materials in the booklet of information that you gave us?

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WILLIAM JAYNE: No, I didn't, but I can leave them with you.

SENATOR SCHIMEK: That would be great. Thank you. Are there any other questions? Well, seeing none, we do have your telephone number, and we've seen you in person now, and we may be calling upon you from time to time to answer further questions.

WILLIAM JAYNE: That would be fine, I'd be pleased to do that.

SENATOR SCHIMEK: Okay. Thank you, very much.

WILLIAM JAYNE: Okay.

SENATOR SCHIMEK: Are there proponents of the plan, of the bill? Any other proponents? Opponents? Are there opponents who wish to testify?

GREGORY EASLEY: Madam Chairman, committee members, my name is Greg Easley, G-r-e-g E-a-s-l-e-y. I'm the past president of the Nebraska Cemetery Association, the past president of the International Cemetery and Funeral Association across the country, and I'm the general manager for the past 32 years of West Lawn Cemetery in Omaha. I'm really just here to talk about, as a person that runs a cemetery, what it costs to do it and what we're getting into, and that's all I really want to give you information on that. I agree with Senator Hartnett. Last year we came up with this idea of the perpetual care fund. Okay. And very few places have a perpetual care fund outside private and lot owner associations. The state of Nebraska requires these to be put up so that there isn't a liability to all the taxpayers. You know, otherwise you'd have millions and millions of dollars. As the cemeteries say, we can't afford to run these anymore; you take it over, state of Nebraska, okay. So that's why Nebraska has this perpetual care fund system in place. Now, whether we need the state cemeteries, the veterans' cemeteries, we have Fort McPherson at one end and we have Wyuka at the other end. Wyuka was set up in 1869; the general manager is here today; and one of their original statutes was to take care of the burial of veterans, and they have the largest Civil War veteran burial population in

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Nebraska. And we at the West Lawn Cemetery have a large Spanish American War veterans' section at no cost to the taxpayers. And for the last, ever since up until this time, Nebraska has taken care of its veterans very well, and no cost to the 1,600,000 population of Nebraska. We aren't like Virginia and California, where they have a huge population to support this tax, because as this gentleman just said, it's expensive to run a veterans' cemetery. Now we that run private cemeteries, I don't want to brag, but I've been at Fort McPherson, and we run...my cemetery is three times the size, and I run it with half the equipment. And so there's going to be more equipment, more maintenance people, more cost, and expensive cost, maintaining the roads, fixing the cracks in the roads, fertilizing, watering the place, ongoing equipment repairs, buying new equipment, this goes on and on and on. But I do have an answer and a solution to this whole problem of what everybody's going to ask where the money's coming from. I thought originally, when we talked about this last year, a perpetual care, endowment care fund, would be set up, funded by us citizens. That way this would not come back on the taxpayers, and you trying to say, wait a minute, we had a revenue neutral bill last year. That's what we wanted to accomplish, and I think we can still accomplish this, by the way. I've got a way out for everybody on this. But to say, well, we want this \$100,000, we may have to do it, the way it's set up now you're going to be paying \$100,000 every darn year the way we've got this set up now. I think that the proper solution to this is, that it's going to take about \$8 million of perpetual care for...and that cannot be taken out, you do not touch the principal of that. That's what they do in the private and the lot owner associations. Nobody can have the principal of that perpetual care. You take the interest off during the year. And they have the other ancillary moneys which I thought was a great idea, those that aren't the veterans', okay, \$300 a year, or \$600 there, or whatever, they can pay and that will help subsidize some of this. So the smaller ones are needing about \$8 million, and I know that running a cemetery, it costs me more than \$700,000 a year to run West Lawn Cemetery, and we do about 750 burials a year there. It's not inexpensive, okay, so. And we have over a \$10 million perpetual care fund, and growing, and growing, and growing. Now, what we'd like, what I'd like to see, and if you could put this amendment in so that it could

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further help former Senator Hartnett's position and help fund this, is that the perpetual care fund be funded and set up before you move ahead. Then you can go to the group and say, we've got the money, we've got a perpetual care fund here, set up. And I think it's going to probably need, I mean, \$8 million for the two smaller ones, and about \$14 million for the one up there, would get you money that would really be a safety net. So that, because you know what's going to happen in 10 years, it's going to cost twice as much to run that cemetery. In another 10 years, it's going to be costing me, you know, a \$1.2 million to run that cemetery. In another 20 years, it's going to be costing me \$2.5 million to run my cemetery, and you're, the same thing. And then you're going to be wondering, well, once you start that cemetery, you're stuck with the cemetery, it's forever. So in about 20 years, somebody's going to be looking around saying, who in the hell wanted to have all these cemeteries? We had Fort McPherson, we had Wyuka taken care of, plus all the private cemeteries. We're giving, like at West Lawn Cemetery, we give away veteran cemetery spaces, we give them away now, no charge. And they do at Lincoln Memorial, no charge. Wyuka does too. So we've been meeting that need. But if you want to have this state veterans' cemetery, I'm for it, providing we have a perpetual care fund that is funded. Go raise the money, put \$30 million in there, if you want to say \$14 million goes toward the Sarpy County one and \$8 million goes to Alliance and \$8 million is in theirs. And then when the possibility comes up, hey, we need some extra money, and then there might be a little bit along the way but that would be years down the street. And there's nothing to say that they can't continue raising money and raise that from \$30 million to \$40 million to \$50 million in more bequeaths and fund-raisers, of which cemeteries across the country do all the time. Wyuka does it, Forest Lawn in California, my God, they must have \$150 million endowment care fund, \$150 million; that's Forest Lawn in California. So this is how cemeteries perpetuate themselves so they don't become a burden on somebody else. And we can do the same thing. But the important thing is that you have that perpetual care fund set up and prefunded before you start. Then you're going to be okay, and I don't think you'd have a bit of problem, anybody, because you just made it almost revenue neutral.

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SENATOR SCHIMEK: Thank you. Questions? Yes, Senator Wehrbein.

SENATOR WEHRBEIN: Seven hundred and fifty burials, and you've spent \$750,000, did I hear...is that about right?

GREGORY EASLEY: \$600,000, yeah.

SENATOR WEHRBEIN: \$600,000.

GREGORY EASLEY: Yeah. Now we also have, we also do...we sell graves, grave markers, grave vaults, and other things, but to continue to...you know, the buildings. Ours was built in 1910, so eventually your buildings you have, you're going to have to redo your buildings. You're going to have to buy new backhoes. Back in '72 when I got into this area of the cemetery business that I'm in, bought a backhoe for \$12,000. Now I got to go spend \$60,000 for that backhoe, and you're going to do the same thing. Within a few years...and the problem with that is, we have one backhoe for ours. You know, out at Fort McPherson they might have two, and they do a third of what we do. But whatever it is, you constantly have that ongoing cost in maintenance and payroll; that's your expense. It can be a turnkey situation to you, which I think is great, but still when I got there to that cemetery in '72, it was all paid for. But I had that ongoing cost, boom, boom, boom, that ongoing cost...to maintain...you know, the worst thing that ever happened to cemeteries was lawn care, because everybody wants their grave space to look like the 18th tee box at the Omaha Country Club now. Or back when you were kids, heck, everything was weeds and dandelions everywhere. Well, now, so cemeteries have a high standard, and the lawns have to be cared. And the state cemeteries and veterans cemeteries do a very good job with that, but there's a cost associated with that. And I'll tell you what, Fort McPherson is an oasis out in the desert; it's gorgeous but it is expensive. It's labor intensive, but you get what you pay for and it's a quality thing. But now do we need more and more and more of those? I'm all right with it as long as it's revenue neutral. Prefund that perpetual care fund to \$30 million minimum, and I can't even remember what they raised in the Tree of Lights in Omaha, Nebraska, for the Salvation Army, but, boy, they came up with that money, millions of dollars.

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And we will have a safety net which the states veterans' cemetery associations will not have a problem for years to come if you do that. If you don't do it, you've got yourself a headache; you've got yourself ongoing problems. Then when it comes time to take care of Medicaid and a lot of other medical expenses, and you're saying wait a minute, you know, now we're spending this over here, and now we need money here; we only have a limited amount of population in this state and sometimes we're always wondering where are we going to get the money, and everybody comes up with another idea that always seems to cost us money, but nobody comes up with an idea that's revenue neutral. That's what I want to present as a person from the cemetery business, how we do make something revenue neutral and try to keep it that way. If we do that, we're not going to have a problem. But you've got to fund it first. Don't start off building the thing, and then say, oh, we'll fund that later on, because then you're in trouble, then you're going to be in trouble.

SENATOR SCHIMEK: I don't see any further questions, thank you very much for being with us. We appreciate it.

GREGORY EASLEY: All right, thank you. If you've got any questions, please contact me.

SENATOR SCHIMEK: Thank you. Next opponent?

ED HOLBROOK: Madam Chairman, my name is Ed Holbrook, H-o-l-b-r-o-o-k, and I'm the director of development for the Wyuka Historical Foundation, which is charged with the responsibility of building endowments for the preservation and restoration of Wyuka Cemetery, which is a state cemetery. And I just wanted to bring a note of historical perspective to your deliberations today because of the fact that in 1869, when Wyuka was established by legislative enactment, they made it very clear in their provisions that Wyuka would have to be self-perpetuating and self-sustaining in its operations, which for 135 years it has accomplished that mandate and yet at the same time provided for the burials of veterans, of indigents and prisoners here in the state of Nebraska. From the fund-raising perspective, and our gentleman from the federal government is correct, I can tell you firsthand that raising money for a cemetery operation, especially for a historical endowment, is an

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extremely challenging task. Having been at it now for four years, and I have over 30 years of experience as a professional fund-raising executive, that you are going to have a formidable challenge to raise this kind of money strictly from the perspective of the case of support that an entity will have to establish to convince people, to convince corporations and foundations to raise these funds. And that has been our experience at Wyuka. We've been, fortunately, very gratified to have a number of private individuals who have given substantial money to help us in this process. But unlike some of our counterpart of other historic cemeteries in the United States, such as Mount Auburn in Massachusetts, and others which are sitting on \$100 million endowments, we also have a luxury in that we're not full. We can accommodate, I assure you, probably several hundred years more, individuals of any of these classifications at Wyuka, and certainly at the other cemeteries that are here in Nebraska in the veterans' sections that are already in existence. But our concern is, is that there is a limited pool of resources that are out there. Again, the state of Nebraska established Wyuka 135 years ago, and if the opportunity for private philanthropy exists to support any type of endeavor, we certainly would want it to be directed to Wyuka so that we can continue to enhance, and not only maintain, but enhance and beautify the existing 200-acre park that we have there. And again, we've made tremendous inroads in developing education programs and doing other things which we think are extremely important. We've developed some significant memorial programs, ongoing, that do reflect on veterans. As many of you may recall, this last year we had the Purple Heart Memorial, the national designation of the Purple Heart established at Wyuka. We're doing a holocaust memorial now, which is going to be just adjacent to where our veterans' section is. So again, we're making tremendous inroads to continue to establish and guard the traditions that we have, because certainly the impetus for why Wyuka was established was because of the Civil War. And as was alluded to, in Mr. Easley's comments, we have over 900 Civil War veterans there, and we certainly have a major contingency of every veteran from every other war present at Wyuka. So anyway, if you have any questions, I did want to bring that to your attention.

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SENATOR SCHIMEK: Thank you, Mr. Holbrook. Any questions?
Seeing none, thank you for waiting around.

ED HOLBROOK: Thanks.

SENATOR SCHIMEK: Are there other opponents? Any others who
wish to testify in opposition? Any in a neutral capacity?

JOHN HILGERT: My name is John Hilgert, J-o-h-n
H-i-l-g-e-r-t. I'm the director of Veterans' Affairs, and I
wish to testify briefly in a neutral capacity. Just for
clarification, Wyuka is not a state veterans' cemetery. It
may be something else, a creature of a board that is
appointed by the state, but it's not a state veterans'
cemetery according to the federal and our department. The
construction figures that was estimated for Grand Island and
Alliance, Senator Wehrbein, I think was quoted \$5 million
for Grand Island. Those figures were created prior to the
prior director, and they included things that the Cemetery
Grants Program couldn't pay for, for example, a campanile,
and to my shame I had to look that up to figure out exactly
what this was that cost \$285,000, a chapel, a reflecting
pool, different amenities such as that. We had an
architectural firm in this state that did a pro bono cost
estimate for the Alliance project. And I believe Alliance
was first estimated at \$2.7 million, \$2.8 million close to
\$3 million in construction, and that ended up being just
over \$1 million, and \$2,008 by the way. The 10 percent
up-front cost that's reimbursable by the federal government
then would be approximately \$150,000. So we did get that
construction into a realistic and fundable region. I'm just
here just briefly to say that, you know, in 1996, Denny
Rasmussen said, you know, this could be a reunion of the
Government, Military and Veterans Affairs Committee; I
served on that committee when I was first appointed. And
Senator Wickersham came forward with his bill for
Box Butte...for a veterans' cemetery in western Nebraska.
That went on for I believe three years and finally passed in
1999. So we had legislative authority to go forward, and I
think the compromise was in two counties, Box Butte and Hall
County. That's why the last year's bill we expanded that to
three counties. Just wanted to say that there's folks out
now in Alliance, Nebraska, and Box Butte County, and our
Great Plains, the High Plains Cemetery group, they're

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raising money for that 10 percent up-front cost that, those private dollars. We've also talked to Box Butte County and the city of Alliance to talk about what Bill Jayne had suggested, as having local government relationships with our state in order to defray some of the operating costs. Part of the low estimate, I believe, and I think I need to just touch on this briefly, it's more than an equation. And Mr. Easley is correct in this, is for example, if you have a situation where you have one-seventh of an FTE is all you need. I have 13 people in my department; I don't have any staff in Alliance. There's no one to take that one-seventh from. I need an FTE. So whether you have zero burials or 100, you need to maintain and you need so many staff. So that's why the operating dollars, I think, are a little bit more than probably what Mr. Jayne said, simply because our lack of resources out there. And we can certainly talk to any of the committee members and the senators regarding about those operating estimates. But I guess my final comment would be, is that with the city of Alliance coming forward...there happens to be a golf course next door to the Alliance property that they're willing to deed to the state of Nebraska. Obviously, there's some potential for shared staff and maintenance. Box Butte County has been on record, saying we're willing to share our resources, our county service officer, Lew Midgett, to help with some of the administration of it. I need to know, and I would like our policy makers and maybe Mr. Jayne at some point and time to clarify, is there a bar to proceeding? If the good people in Box Butte County come up with that matching 10 percent; if the city and the county does come to say, we're willing to take up the slack on the operation. The way that the legislation is now or potentially drafted, in light of what Mr. Jayne believes, that there's some...is there a problem with the statute the way it is currently written? And because, at the end of the day, no matter how hard we all work, the federal government has to come forward to pay 100 percent of the construction costs. And if they're not willing to come forward to do that due to some bar in our statute, I certainly, as your director, would like to have that either clarified and understood by us. So is there a bar to proceeding? If so, what is that? And where do we go from here? And that's why I'm in a neutral capacity. And I'd certainly answer any questions today or later if you should, so.

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SENATOR SCHIMEK: Seeing no questions, thank you very much,
Director Hilgert.

JOHN HILGERT: Thank you.

SENATOR SCHIMEK: Are there others who wish to appear in a
neutral capacity? Seeing none, then Senator Louden to
close.

SENATOR LOUDEN: Thank you, Senator Schimek and members of
the committee. The two gentlemen, Mr. Holbrook and
Mr. Easley, I don't question their knowledge on operating a
cemetery, but I do question Mr. Easley's knowledge on
geography. When he said that we have one cemetery at one
end of Nebraska, which is Wyuka or whatever, and the other
one at the other end of Nebraska, which is Fort McPherson,
actually Fort McPherson is probably closer to Lincoln than
what Fort McPherson is to western Nebraska or to Alliance.
It's a little over 200 miles from Alliance to
Fort McPherson. So really we don't have one in the western
end of Nebraska. This is what it's all about. This was
started, I think, nearly 10 or 12 years ago. Senator
Wickersham, as Director Hilgert had mentioned, had
introduced legislation to get something like this going in
western Nebraska. When I came in to the Legislature, this
thing was actually dead in the water because of some of
these plans that were put in that cost a fortune to have:
flags and reflecting pools, and all that, and anybody that's
ever been out in western Nebraska knows how long flags and
reflecting pools would probably last out there. That's the
reason we had some of the students from the University of
Nebraska to start with, came through there and drew up some
preliminary plans a few years back, and some of those were
used. And then Director Hilgert was able to get...I think
there was an architect company or somebody like that, an
engineering company, that gave him some plans, for actually
nothing, on what would get started out there. And this is
where we came about with about \$1.5 million, or thereabouts,
to build this thing. In the meantime, the city of Alliance
and Box Butte County had worked together and could see that
perhaps this was going forward now, so they would commit
further than what they had. Up until that time, the city of
Alliance had committed 20 acres from their airport or what

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used to be the old Alliance Army Air Base, to building a veterans' cemetery; they've set aside 20 acres for it. As they've progressed forward, at the present time it's looking like what we would do is 4 acres is what they would start with first. Have a committal area, and the plans were very substantial for that part of the country, and were quite well drawn up and received. With that in mind, the city of Alliance operates their golf course right next to it. They also have their own cemetery. Out in that country, I don't know if any of you are familiar, but when you get out in western Nebraska, we don't have private cemeteries like Wyuka or West Lawn or anything like that. They're all municipal operated. The city of Alliance has about 80 acres is what they do for a cemetery, and if my memory serves me correctly they spend not quite \$60,000 a year on maintenance with it. And they've offered to maintain this 4-acre cemetery. They've offered to use...they use their equipment to open up grave sites and committal areas; they can do that with their equipment. They have the personnel right next to it with the golf course, that can...for maintenance and taking care of the lawns and the grass. They've offered to furnish the water, and this is something that other towns out in around Nebraska, we usually have, they're pumping plenty of water for their golf course and the whole airport facility out there. So these were things that cut the cost and had gotten it down to where it was within, as Director Hilgert said, fundable. And this is where we got to this point in time. And at the present time, all we really need is this agreement, I guess you might say, that will satisfy the federal government in what we will do out there and we can move forward with this veterans' cemetery which is needed out in the western end of the state. If there is one built there, then you get closer to this one within 75-mile radius of veterans' cemeteries across the United States. Now, when the discussion went to the one in Grand Island, that's so far on the horizon I don't even think radar can find it. There'll be...I guess to say it kind of like we do in the trade that I'm in sometime, there'll be a lot of good men dead and gone before you ever see that cemetery built in Grand Island. They have the money there already from the Veterans' Home, but the cemetery that's operating there is just for veterans that are deceased out of the Veterans' Home; no one else is allowed to be buried there. And however long Senator Hartnett gets with his one in Bellevue,

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I don't know. Every time I see him, the price of land went up higher, Alliance donated 20 acres and figured it's worth about \$300 an acre, and the last time I talked to Senator Hartnett, why his...80 acres was, took a lot more zeros on it than what the one in Alliance did. So I don't think that is going to be something that any of us probably have to worry about in the near future. I would like to see something done so we can move forward with the one in western Nebraska, and we will have one in Fort McPherson, which is a federal one, and then as time goes on, if Senator Hartnett is successful, which I hope he is, and can get some of the guys with the big money, down here to fund that, then we can move ahead with that. At the present time, I think we have the one to think of, and that's in western Nebraska. Any questions?

SENATOR SCHIMEK: Thank you, Senator Loudon. I have to comment, I think your closing was longer than your opening, I've never seen that before. Are there any other questions? Seeing none, thank you very much. That will conclude the hearing on LB 227. And that will conclude the hearings for the day. We thank you all for being with us.